# ECONOMIC DEVELOPMENT

# IN THE

# PETERBOROUGH AREA.

( STAFF REPORT )



ECONOMIC DEVELOPMENT BRANCH
OFFICE OF ECONOMIC POLICY
MINISTRY OF TREASURY, ECONOMICS AND
INTERGOVERNMENTAL AFFAIRS
Ontario

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# ECONOMIC DEVELOPMENT IN THE PETERBOROUGH AREA

(Staff Report)



Economic Development Branch
Office of Economic Policy
Ministry of Treasury, Economics
and Intergovernmental Affairs

February 1978

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# TREASURER'S INTRODUCTION

Several months ago I was approached by elected officials and interested citizens from the Peterborough area, concerning local economic difficulties that had arisen during the previous year. As a result of these contacts I proposed that staff from my Ministry coordinate a brief but intensive study of the Peterborough economy.

The terms of reference for the study were as follows: "In cooperation with the City of Peterborough and the County of Peterborough , the Ministry of Treasury, Economics and Intergovernmental Affairs and the Ministry of Industry and Tourism will study, evaluate, and make appropriate recommendations on general economic development prospects in the area of the City of Peterborough and the County of Peterborough, including -

1. A re-evaluation of the area's role in the Toronto-Centred Region program, especially as this relates to the current review of the Toronto-Centred Region concept and a revised provincial economic development strategy for Central Ontario;

2. An assessment of current conditions and future prospects for new manufacturing employment in the area;

3. An evaluation of the area's potential for attracting new employment in service industries, such as finance, insurance, professional consulting work, and related activities;

4. An evaluation of economic linkages between the City of Peterborough and the County of Peterborough in the future economic development of the area;

5. An assessment of ways in which the Provincial Government can financially assist the area's efforts to improve its economic development prospects within the current framework of budgetary restraint."

During the course of the study, provincial government staff have interviewed representatives from a large number of business firms and organizations in the Peterborough area, in order to acquire a first-hand appreciation of the current Peterborough economy. I would personally like to thank all the individuals involved for their cooperation and assistance.

The study's conclusions and recommendations are staff suggestions only. I will be examining them along with other readers of the report over the next few months. At this point, however, I would like to stress that the Province is strongly committed to Peterborough's continuing role as an important business centre in Central Ontario.

I have also been impressed with the initiatives taken to stimulate economic development in the area by Peterborough's M.P.P., John Turner, Mayor Cameron Wasson, and the many other officials and interested citizens who have assisted in their efforts.

Despite the difficulties of the moment, Peterborough has some real long-term advantages as a business location. It enjoys a unique quality of life, attractive natural amenities, a good supply of affordable housing and skilled labour, and excellent local services. The City of Peterborough is also a major shopping centre for its wider region. Combined with strong local promotion, these advantages suggest to me that the Peterborough area will continue to attract a significant share of the province's future economic growth.

W. Darcy McKeough
Treasurer of Ontario

February 1978
Queen's Park, Toronto

# SUMMARY OF CONCLUSIONS AND RECOMMENDATIONS

## CONCLUSIONS

### General Economic Situation

- Average unemployment in the Peterborough area during 1977 has been estimated at about 10% of the labour force, compared with approximately 7% in Ontario and 8% in Canada as a whole.

- Net growth in larger-firm industrial employment for the Peterborough area has tended to stabilize between 1973 and 1977. Statistics Canada survey data indicate that there were 15,600 larger-firm industrial jobs in Peterborough in June 1973 and, after some fluctuations, the same number in June 1977.

- Pressures on the capacity of the Peterborough economy to generate new employment have been increased by rapid growth in the local labour force. The working-age population in the Peterborough area has increased from approximately 72% of the total population in 1971 to 77% in 1977. The percentage of female employees in Peterborough's industrial work force has increased from 26.1% in June 1972 to 30.7% in June 1977.

- Employment problems of this magnitude are not unique to the Peterborough area. Moreover, current indications are that several new employers could bring as many as 500 new jobs to Peterborough during the next two years. The area also enjoys an especially high quality of life, a strong supply of reasonably priced housing, and a wide range of excellent shopping facilities.

### Manufacturing Sector

- Peterborough's current economic difficulties are directly related to major layoffs and shutdowns among several of the area's long-established manufacturing firms.

- Troubles in Peterborough's manufacturing sector are partly associated with an aging manufacturing base. They also relate to the 1974 cross-cross in average manufacturing wage rates for Canada and the United States, which has eroded Canada's cost competitiveness in markets for manufactured goods.

- The performance of the manufacturing sector in Peterborough during the past few years has had bright spots. Several medium-sized firms have done well and shown moderate increases in employment. Five-year estimates of employment growth by the top 15 manufacturing employers suggest that, with some general improvement in future economic conditions, there could be over 1,000 more manufacturing jobs in the Peterborough area in 1982 than there are now.

- However, even the creation of well over 1,000 new manufacturing jobs over the next five years would still mean a 1982 level of manufacturing employment significantly below the peak level achieved during the first half of the 1970's. Overall, the Peterborough area cannot continue to depend on its long-established manufacturing industries for the steady supply of new jobs required by its expanding labour force.

## Service Sector

- During the past few years, employment in the Peterborough area's service sector has shown considerably stronger growth patterns than employment in the manufacturing sector. Statistics Canada's larger-firm industrial survey indicates that, between March 1973 and June 1977, there was a net loss of 800 manufacturing jobs in the Peterborough area, but a net gain of 1,000 jobs in wholesale and retail trade.

- In addition to growth in trade employment, local efforts to promote a more diversified economic base have recently encouraged the Liberty Mutual Insurance Company to locate 200 new jobs in the Peterborough area. Peterborough has significant potential for attracting more service industry of this sort, especially manufacturing head offices, market research organizations, diversified engineering consultants, consumer finance companies, insurance companies, and urban development industries.

- Peterborough's principal assets in attracting new service sector growth include an abundant supply of clerically skilled labour, a fluctuating pool of highly qualified engineering personnel, proximity to the Toronto area, a good supply of reasonably priced housing, and high local "quality of life". Energetic marketing of these attractions among target service industries could bring significant new growth over the mid- to long-term future.

- High quality of life in the Peterborough area is related to a wide range of outdoor recreation opportunities, an excellent public education system, readily available medical and other professional services, and a stable social climate for raising families. These factors can also be key attractions for medium-sized, high-technology manufacturing firms with a strong service orientation, such as the present Ethicon Sutures facility located at the edge of the city.

## Recreation and Tourism

- At the height of summer the population of the Peterborough area almost doubles in size, as a result of the inflow of cottagers and tourists to the Kawartha Lakes district. The area also provides a wide range of outdoor recreation opportunities during the winter season.

- At the moment there is an active resale market for recreation properties in the Peterborough area. However, there has been very little new development of recreation and tourism facilities in the recent past.

- Environmental concerns for controlling growth in the Peterborough lakes district are among the factors behind the slow pace of recent recreation and tourism development. The Peterborough area has also been adversely affected by general stagnation in the Canadian tourist industry, reflected in Canada's present tourism deficit with the United States.

- Over the long term, the greatest potential for economic growth in the larger Peterborough area outside the city lies in a revival of the Kawartha district's traditional recreation and tourism industry. The retail trade component of the city's service sector could also benefit from more aggressive efforts to tap the expanded regional market created by seasonal population increases, especially during the peak summer months.

**Provincial Policy**

- The Government of Ontario's Design for Development: The Toronto-Centred Region (1970) recommended "moderate growth" for the Peterborough urban area. It also noted that the Kawartha Lakes district was an important recreational resource, that demanded "special attention . . . to minimize environmental damage while at the same time making effective use of . . . resources."

- In response to local requests for stronger recognition of Peterborough's industrial base, the Government of Ontario included the Peterborough area within the boundaries of the Eastern Ontario Development Corporation in 1974. During the past four years the corporation has made available over $4 million worth of special assistance to industries in the Peterborough area.

## Municipal Policy

- It has been proposed that a Greater Peterborough Economic Development Council be established, to help promote new economic growth in the Peterborough area.

# RECOMMENDATIONS

## General Provincial Policy

1. The Province's 1978 update of the Toronto-Centred Region development concept should stress the importance of the Peterborough urban area as a regional business centre, with a growing orientation towards the Toronto and Oshawa lakeshore areas of Central Ontario.

2. Within the current framework of budgetary restraint, the Province could consider supporting employment-generating initiatives in the Peterborough area under the Regional Priority Budget.

## Manufacturing Sector and General Municipal Promotion

3. Municipal officials, perhaps in conjunction with other interested citizens, should initiate systematic discussions with labour and management representatives from major manufacturing employers, to assess ways in which local policy can help Peterborough's long-established manufacturing industries to grow in the area.

4. Municipal efforts to promote new manufacturing growth should continue to focus on smaller manufacturing firms. Special attention should also be paid to small- to medium-sized, high-technology firms, such as the present Ethicon Sutures and Fisher Gauge establishments.

5. The city's current strong efforts to provide an adequate supply of serviced industrial land for new manufacturing firms should be continued.

6. General promotion efforts of a body such as the proposed Economic Development Council should be effectively integrated with and supported by the efforts of the city's existing municipal planning and development staffs.

## New Service Sector Growth

7. Recent shifts in existing municipal promotion policy towards a stronger emphasis on service sector growth should be continued and expanded, especially with regard to manufacturing head offices such as the present Quaker Oats establishment, market research organizations, diversified engineering consultants, consumer finance companies, insurance companies such as the new Liberty Mutual establishment, and urban development industries.

8. Those involved with local development policy should hold discussions with representatives of Trent University and Sir Sanford Fleming College, to assess ways in which the area's post-secondary education institutions can assist in attracting new service sector growth.

9. Peterborough municipal planning and development staff should undertake a special study of existing office space in the Peterborough urban area and assess current capacity to provide new office space for the accommodation of new service sector growth.

## Recreation and Tourism Development

10. There should be an immediate short-term public discussion program on the environmental and economic development aspects of new recreation and tourism development in the larger Peterborough area, with special emphasis on ways in which consumer service businesses in the Peterborough urban area can more effectively exploit expanded markets created by seasonal population increases and by Peterborough's strategic location on the Trent-Severn canal system.

11. Municipal officials should carefully assess emerging official plans and the draft Kawartha Strategy to ensure a viable balance between stringent environmental controls and opportunities for economic development in the recreation and tourism industry.

12. The county government - or the city and county together - should consider redeploying existing staff and resources to strengthen promotion of the recreation and tourism industry in the larger Peterborough area.

# DETAILED STAFF REPORT

## 1. OUTLINE

This report is based on analysis of standard statistical sources and on interviews with business firms and government organizations in the City and County of Peterborough.

The report begins with a brief description of the Peterborough area and its general relationship to provincial development policies and programs. This is followed by:

- A broad overview of current trends and conditions in the area;
- A structural analysis of the Peterborough economy, designed to assess the present strengths and weaknesses of the area's agriculture and resource sector, manufacturing sector, service sector, and recreation and tourism sector;
- A discussion of special economic development concerns in the Peterborough area, especially transportation and environmental protection;
- A review and re-evaluation of Peterborough's role in the province's Central Ontario economic development region.

Two appendices have been placed at the end of the report. The first lists the different business firms and organizations that have been interviewed during the preparation of the report, and the second briefly describes some of the key existing federal and provincial government programs designed to help promote economic development in the Peterborough area.

The purposes of the report are:

- To document the conclusions and recommendations suggested above;

- To provide a set of background materials on the Peterborough economy that can help current local efforts to promote economic growth in the Peterborough area.

## 2. THE PETERBOROUGH AREA

The Peterborough area includes the City of Peterborough and the four villages and fourteen townships in the county of Peterborough.

Physically, the north end of Peterborough County is on the Canadian Shield. A ridge known as the Dummer Moraine runs through the middle of the county, followed by a till plain covered with small hills in the south end. The Peterborough area takes in a large part of the Kawartha Lakes district, and the Otonabee River and the Trent-Severn canal system run through both the county and the city.

For broad provincial development policy, the Peterborough area is part of the Central Ontario economic development region. The City of Peterborough is only 130 km. from Metropolitan Toronto, and in 1970 Peterborough was included in the Government of Ontario's policy statement Design for Development: Toronto-Centred Region.

The Peterborough area also has important ties with Eastern Ontario. In 1974, as a result of local requests, the Government of Ontario included Peterborough within the boundaries of the Eastern Ontario Development Corporation. This qualifies manufacturing industries in the Peterborough area for more generous forms of government development assistance than are available in other parts of the Central region.*

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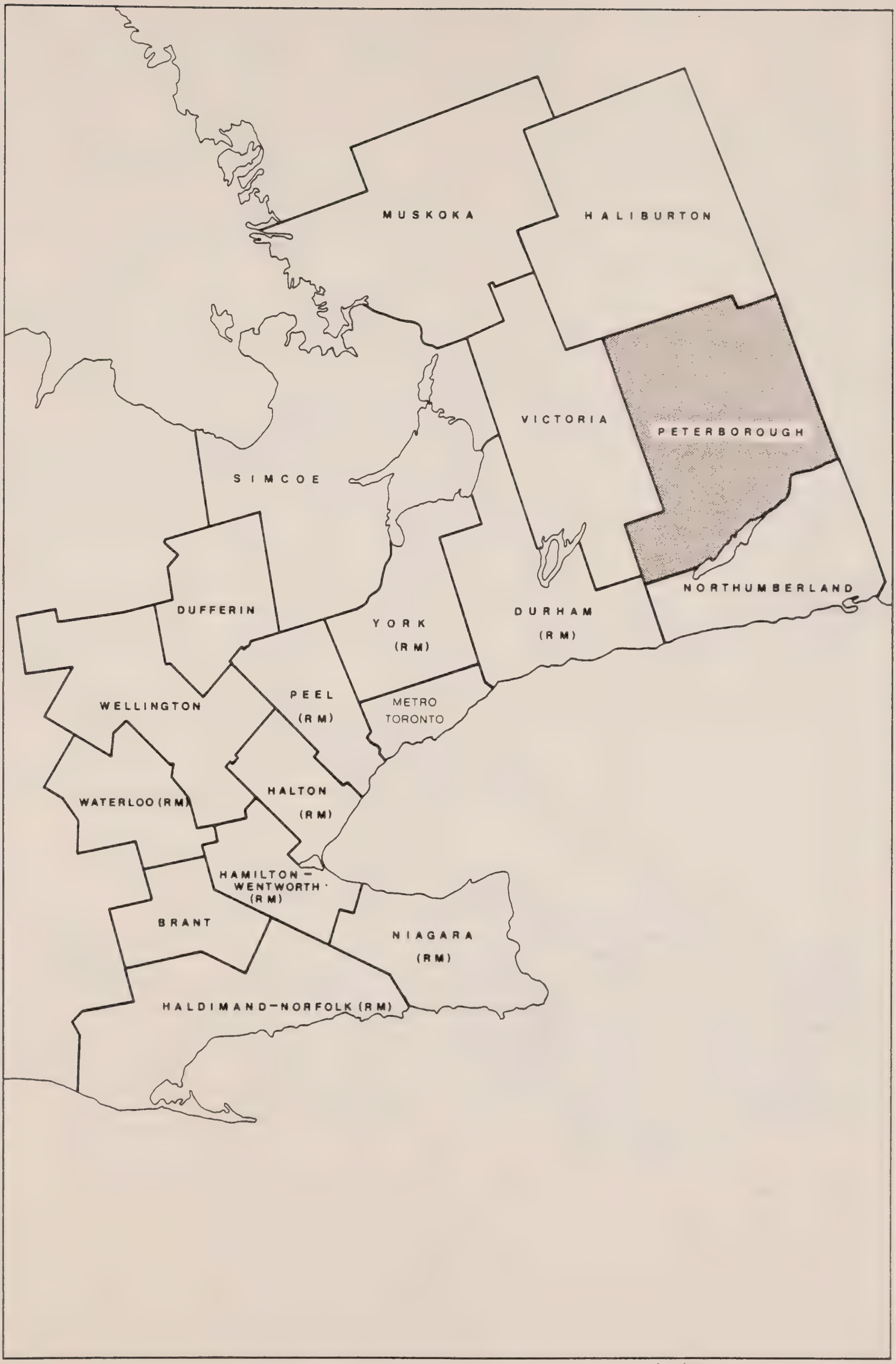
*See Town of Lindsay and City of Peterborough, Joint Brief to the Province of Ontario on Design for Development, Woods, Gordon & Co., Consultants, n.d. See also Section 6 and Appendix B below.

Central Ontario Economic Development Region

Map 1



**Government of Ontario Development Corporations** **Map 2**

# 3. OVERVIEW OF CURRENT TRENDS AND CONDITIONS

## 3.1 Population Trends

In the fall of 1977 the population of the City of Peterborough was 59,181 people, and the population of the Peterborough area (city and county together) was 98,497 people. The pace of population growth in Peterborough has slowed down in the recent past, as it has throughout Ontario.

TABLE 1

**RECENT POPULATION TRENDS**

| Year | City | Area* |
|---|---|---|
| 1973 | 56,349 | 90,625 |
| 1974 | 58,100 | 93,716 |
| 1975 | 59,337 | 96,403 |
| 1976 | 59,545 | 97,901 |
| 1977 | 59,181 | 98,497 |

*City and County together.

Source: Ontario Ministry of Revenue, Municipal Enumeration

Relative to other parts of the Central region, population growth in Peterborough took on new strength in the first half of the 1970's. During the 1950's and 1960's the Peterborough area's share of the Central region's total population declined steadily. But between 1971 and 1976 Peterborough's share of the Central region's growth was greater than at any time since 1951. In 1976 the area's share of the region's total population was the same as in 1971 (1.98%).

TABLE 2

**SHARE OF REGIONAL GROWTH HAS RECENTLY INCREASED**

| Year | % Regional Growth in Previous 5 Years | % Regional Population |
|---|---|---|
| 1951 | - | 2.58 |
| 1956 | 1.35 | 2.37 |
| 1961 | 1.65 | 2.26 |
| 1966 | 1.06 | 2.09 |
| 1971 | 1.12 | 1.98 |
| 1976 | 1.97 | 1.98 |

Source: Statistics Canada

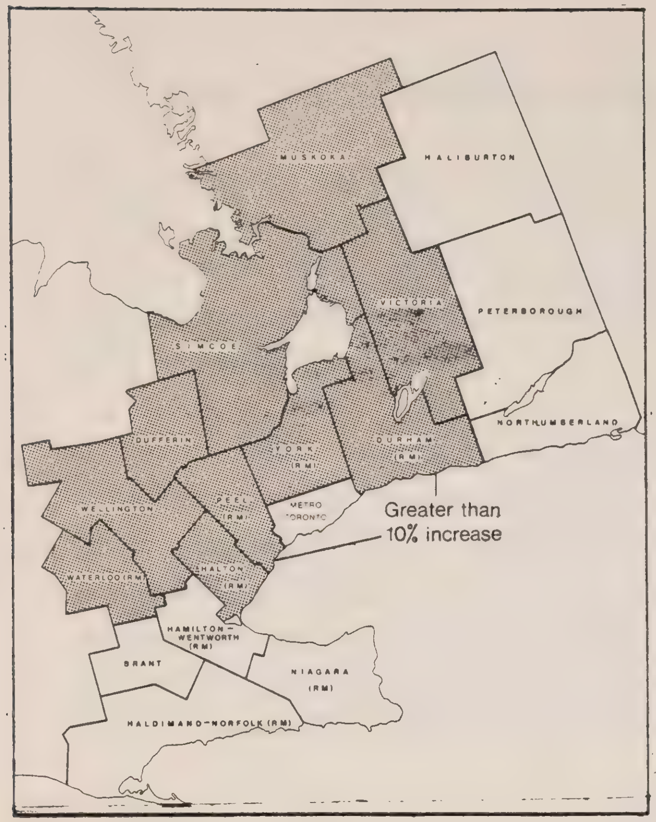
The distribution of the Peterborough area's population growth between 1971 and 1976 shows a strong clustering to the west of the city, in the townships of Ennismore, Smith, Cavan, and Harvey. Recent growth has also tended to occur away from traditional centres of urban settlement. Between 1971 and 1976 the villages of Millbrook and Lakefield lost ten people and five people, respectively. Between 1976 and 1977 the population of the City of Peterborough declined by about 350 people.

These recent distribution trends in Peterborough match similar trends elsewhere. Throughout North American, "dispersal of population will remain the major urban trend."* In the Central region a sizeable block of population growth between 1971 and 1976 shifted out of the Toronto area and into adjacent places beyond the commutershed of Metropolitan Toronto. Strong growth in the western townships of Peterborough County reflects a spillover from this wider deconcentration trend, which places Peterborough at the outer edge of Toronto's "urban shadow."

*Donald Moffitt (ed.), The Wall Street Journal Views America Tomorrow (New York, 1977), 160.

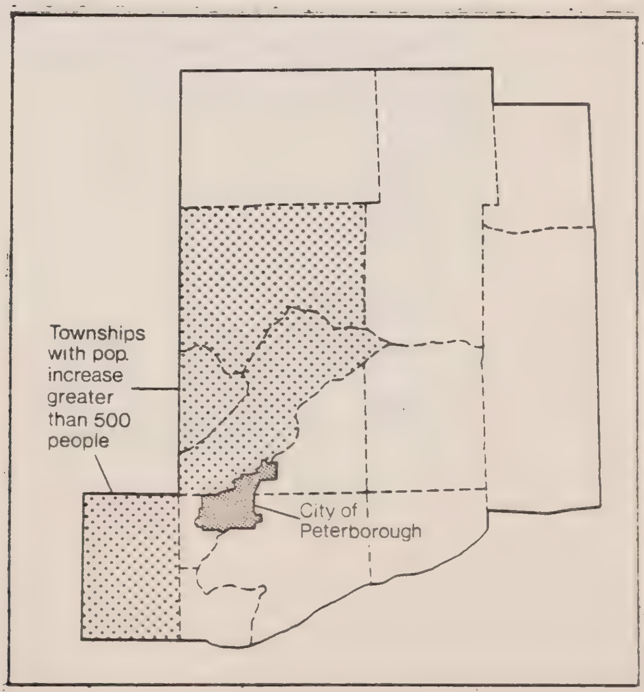
If the trends experienced in Peterborough during the first half of the 1970's continue, future population growth in the area should remain more vigorous than during the 1950's and 1960's. Current forecasts by Ontario Treasury staff suggest a Peterborough area population (city and county together) of approximately 110,000 people by 1986 and 121,000 people by the end of the century.

**Central Ontario** **Map 3**
**Distribution of Population Growth**
**1971 - 1976**




Source: Statistics Canada

**Peterborough Area** **Map 4**
**Distribution of Population Growth**
**1971 - 1976**




Source: Statistics Canada

## 3.2 Labour Force and Economic Structure

The working-age population in the Peterborough area (15 years and over) has increased from about 72% of the total population in 1971 to 77% in 1977. Approximately 1% out of this 5% increase is accounted for by people over the normal retirement age of 65. The remaining 4% involves the key employment-age group from 15 to 64 years.

Trends towards an increasingly large working-age population in Peterborough match comparable trends throughout Ontario. The pressures which these trends place on the size of the local labour force and the capacity of the local economy to provide new jobs are increased by rising levels of female participation in the Peterborough work force. Statistics Canada survey data indicate that female participation in Peterborough's industrial work force has risen from 26.1% in June 1972 to 30.7% in June 1977.

TABLE 3

**FEMALE PARTICIPATION HAS BEEN SLOWLY INCREASING**

| Date | % Female |
|---|---|
| June 1972 | 26.1 |
| June 1973 | 27.4 |
| June 1974 | 27.4 |
| June 1975 | 28.1 |
| June 1976 | 29.6 |
| June 1977 | 30.7 |

Source : Statistics Canada

As in other places, the structure of the local economy that employs the Peterborough labour force has been undergoing important changes during the past quarter-century. Manufacturing, agriculture, and resource industries employed almost 58% of the work force in the Peterborough area in 1951, but only 33% in 1971. By comparison, the employment share of wholesale and retail trade, finance, insurance and real estate, and community, business, and personal services rose from approximately 33% of the work force in 1951 to 47% in 1971.

TABLE 4

**PETERBOROUGH'S CHANGING ECONOMIC STRUCTURE**

| Sector | % Total Employment | | |
|---|---|---|---|
| | 1951 | 1961 | 1971 |
| 1. Agriculture and Other Primary | 11.7 | 7.8 | 4.1 |
| 2. Manufacturing | 45.9 | 34.0 | 28.5 |
| 3. Construction | 5.7 | 6.4 | 6.2 |
| 4. Transportation and Communications | 5.2 | 6.3 | 4.8 |
| 5. Trade | 12.8 | 15.6 | 16.4 |
| 6. Finance, Insurance, and Real Estate | 2.3 | 2.9 | 3.4 |
| 7. Community, Business and Personal Services | 15.6 | 12.2 | 25.4 |
| 8. Public Administration and Defence | na | 3.8 | 4.7 |

Source: Statistics Canada

Despite trends towards a decrease in manufacturing's share of total employment, manufacturing still plays a more important role in Peterborough's economic base than in other parts of Ontario. Only seven of the 18 counties and regional municipalities in the Central region depend as much on manufacturing activity as the Peterborough area. A 1976 study of Canadian urban centres places the Peterborough urban area in a class termed "Manufacturing II," which includes centres with above-average levels of manufacturing employment that also provide important services to their surrounding regions.*

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*D. Michael Ray et al., Canadian Urban Trends (Ottawa, 1976), V. I, 83-101.

## 3.3 Recent Employment Trends

Over 1,000 new jobs have been created in the Peterborough area during the past two years. However, layoffs and shutdowns by several of Peterborough's traditional employers have acted to stabilize net employment growth.

Statistics Canada survey data on larger-firm employment (20 employees or more) indicate that in June 1973 there were approximately 15,600 industrial jobs in the Peterborough urban area.* By June 1975 this figure had increased by 1,500 jobs. But between June 1975 and June 1977 another 1,500 jobs were lost. In June 1977 larger-firm industrial employment in Peterborough was the same as in June 1973.

TABLE 5

**PETERBOROUGH'S INDUSTRIAL EMPLOYMENT: A SLIGHT DECLINE**

| Date | Change | Employment |
|---|---|---|
| June 1973 | | 15,600 |
| | + 1,000 | |
| June 1974 | | 16,600 |
| | + 500 | |
| June 1975 | | 17,100 |
| | - 800 | |
| June 1976 | | 16,300 |
| | - 700 | |
| June 1977 | | 15,600 |

Source : Statistics Canada

*"Industrial" refers to all industries with the exception of agriculture, fishing and trapping, education and related services, health and welfare services, religious organizations, private households, and public administration and defence.

Recent estimates also indicate unemployment rates in the Peterborough area that are significantly above current national and provincial averages. Ontario Treasury staff estimates for the first seven months of 1977 suggest an average unemployment rate for the larger Peterborough area of 10.0%.* The Statistics Canada monthly Labour Force Survey indicates that during the first seven months of 1977 unemployment averaged 7.2% of the labour force for Ontario, and 8.3% for Canada as a whole.**

TABLE 6

**UNEMPLOYMENT IS CURRENTLY HIGHER THAN THE NATIONAL AND PROVINCIAL AVERAGE**

(Average Unadjusted Rate, January - July, 1977)

| Area | % Unemployed |
|---|---|
| Larger Peterborough Area[1] | 10.0 |
| Canada[2] | 8.3 |
| Lake Ontario Sub-Region[2] | 8.2 |
| Ontario[2] | 7.2 |

[1] Treasury Estimates

[2] Labour Force Survey

Source: Statistics Canada and Ontario Treasury

*This compares closely with a crude estimate of 10.1% calculated for the Peterborough Canada Manpower district in October 1977.

**Unadjusted for seasonal variations.

Employment problems of this sort are not unique to the Peterborough area. Of the 33 Ontario centres included in Statistics Canada's larger-firm employment survey, for example, 11 have shown a net decline in industrial employment since January 1974. Moreover, net stabilization in employment growth does not mean that no new firms or jobs are being attracted to the Peterborough area. Current indications are that several new firms will be moving to Peterborough during the next two years, bringing in approximately 500 new jobs. Several existing firms in the area are also planning for moderate employment growth during 1978.

## 3.4 Housing

During the first half of the 1970's the pace of new housing construction in the City of Peterborough was extremely rapid. Statistics Canada data indicate that 473 new housing units were completed in 1973 (including apartments), 689 units in 1974, 764 new units in 1975, and 809 new units in 1976.

Table 7 illustrates that this rapid pace of new construction has outstripped the pace of recent population growth. The trends suggested in the table are supported by the Housing and Urban Development Association of Canada (HUDAC), which indicates that there are now just over 800 unsold new houses in the larger Peterborough area. The Peterborough Real Estate Board has also indicated that almost 1,600 houses-new and resales-were offered in the Peterborough area on the September 1977 Multiple Listing Service.

TABLE 7

**PETERBOROUGH HAS A GOOD SUPPLY OF HOUSING**

| | | |
|---|---|---|
| Total New Housing Units Completed, 1973-1976 (All types) | | 2,735 |
| Population Growth, 1973-1976 | 3,196 | |
| Average Number of People Per Household, 1976 | 2.78 | |
| Estimated Housing Units Required for 73-76 Growth (3,196 divided by 2.78) | | 1,150 |
| Estimated Surplus | | 1,585 |

Sources: Statistics Canada, Ontario Municipal Directory, Ontario Treasury Estimates

Peterborough's recent housing experience matches that of other areas in the Central region. HUDAC, for example, indicates that there are now over 25,000 unsold new houses in the greater Toronto area. As in other parts of the wider region, slowdown of new housing construction in the face of strong supply has also increased unemployment in the Peterborough construction industry. Ontario Treasury staff estimates suggest that an average of 1,300 construction workers were unemployed in the larger Peterborough area during the first eight months of 1977.

In the recent past there have been indications that the earlier rapid pace of housing construction in Peterborough has started to force down housing prices. A survey by The Royal Trust Company suggests that the price of a typical three-bedroom bungalow in Peterborough dropped from $47,000 in June 1977 to $45,000 in October 1977. Even before these recent indications of price moderation, housing in the Peterborough area was significantly less expensive than elsewhere in the Toronto-Centred Region. In 1976 the average house price in Peterborough was almost 14% lower than the average price in Oshawa, approximately 4% lower than the average price in Barrie, and almost 30% lower than the average price in Toronto.

TABLE 8

**HOUSING PRICES ARE AMONG THE LOWEST IN THE REGION**

| Area | Average MLS Price ($) | |
|---|---|---|
| | 1975 | 1976 |
| Oakville | 64,998 | 71,564 |
| Toronto | 57,582 | 61,389 |
| Oshawa | 43,748 | 50,466 |
| Guelph | 42,321 | 46,995 |
| Barrie | 42,864 | 45,410 |
| Peterborough | 38,383 | 43,506 |

Source: Toronto Real Estate Board

## 3.5 Water, Sewers, Energy, and Transportation

The City of Peterborough is on piped water and sewage facilities. Ontario Ministry of the Environment estimates indicate that over 10% of the population in Peterborough County outside the city is also on piped water and sewers, and additional facilities are now under construction.

Current estimates suggest that existing water and sewage facilities in the city can accommodate well over 10,000 additional people without major expansion, as well as provide a good supply of small- to medium-sized parcels of serviced industrial land. Existing facilities in the county outside the city appear to have a surplus population capacity of about 2,000 people, although specific capacity problems have recently arisen in the Village of Lakefield.

Ontario Hydro provides bulk power for the Peterborough area, which is distributed through the Peterborough Utilities Commission in the City of Peterborough. New hydro transformer facilities are now being planned for the larger Peterborough area, to ensure adequate future supplies of power. The Consumers' Gas Company also has lines for natural gas installed in most areas of the city, and propane, fuel oil, and coal are available throughout the Peterborough area.

The City of Peterborough is located on the Trans-Canada Highway (Highway 7), and is just over half an hour's drive from eastern Ontario's major lakeshore transportation corridor along Highway 401. The City of Peterborough operates a municipal airport, and the Peterborough area is served by major rail, bus, and trucking facilities. An evaluation of transportation services in the Peterborough area is presented in Section 5 (below).

## 3.6 Education, Health, Shopping, and Recreation

Peterborough has a well regarded public education system, which includes two major post-secondary institutions: Trent University and Sir Sanford Fleming College.

As in other places, school enrolments have tended to decline in the recent past. Total enrolments in the City of Peterborough's public and separate school systems dropped from 15,317 students in 1975-76 to 14,966 students in 1976-77. However, during the same period enrolments in Smith Township immediately to the west of the city increased from 1,112 students to 1,183 students. This matches a more general shift of population from the city to adjacent townships.

Peterborough is an important regional centre for health services, with two hospitals, a major clinic, a half dozen nursing and extended-care homes, and a large number of medical specialists. Ontario Ministry of Health statistics for 1975 indicate that Peterborough County (city and county together) has one doctor for every 571 people, compared with one doctor for 746 people in the adjacent Durham region, and one doctor for every 815 people in Victoria County, immediately to the west. Peterborough also has one registered nurse for every 134 people, compared with one registered nurse for every 146 people in Metropolitan Toronto.

In 1974 three major department stores in Peterborough accounted for 1.3% of total department-store sales in Ontario, a figure which is almost double the Peterborough urban area's 0.7% share of the province's total population. Peterborough is also one of the few Ontario cities that have successfully renovated their traditional downtown shopping and business districts. In 1974 Peterborough Square-a covered shopping mall and public centre-was opened in the heart of the downtown area, and several older downtown buildings have been renovated for new office space during the past few years. Developers' proposals for major new shopping facilities in other parts of the Peterborough area are now under discussion.

A key attraction of the Peterborough area is the wide range of opportunities for outdoor recreation in the Kawartha Lakes district. Recreation and tourism have traditionally been an important element in the local and regional economy, and the area's natural amenities provide widely acknowledged benefits for its year-round residents. A survey taken during the early 1970's reported: "There is a remarkable consensus among Peterborough respondents that the community offers a uniquely attractive quality of life."*

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*Lindsay and Peterborough, Joint Brief on Design for Development, 10.

## 4. STRUCTURAL SURVEY OF THE PETERBOROUGH ECONOMY

The structure of the Peterborough economy divides into four key sectors:

- Agriculture and resources are major elements in the economy of Peterborough County outside the city;
- Manufacturing is a prime component of the city's economic base. There is also a limited amount of manufacturing activity outside the city in the county;
- Service industries now account for the majority of employment in the Peterborough urban area. The largest component of the current Peterborough service sector is wholesale and retail trade. But new types of middle- and higher-order service sector growth have begun to emerge in the local urban economy.
- Recreation and tourism are a traditional element in the economy of Peterborough County. They also provide an expanded seasonal market for key elements in the city's service sector, and have strong potential for future growth in the larger Peterborough area.

### 4.1 Agriculture and Resources

In 1971 agriculture and other primary resource industries accounted for 4.1% of total employment in the Peterborough area. This is above the average for the Central region (2.9%), but below the average for the province as a whole (5.4%).

#### 4.1.1 Agriculture

Agriculture in the Peterborough area is concentrated in the southern part of Peterborough County, since the Canadian Shield area to the north is largely inhospitable to farm activitiy.

According to the Ontario Ministry of Agriculture and Food's Food Land Guidelines, 32.6% of Peterborough County is prime agricultural land (soil capability classes 1-4), compared with 60.5% of prime land in the Central economic development region as a whole. At the same time, between 1971 and 1976 the number of census farms in Peterborough County increased by 1.7%, compared with a decrease of 6.6% in the Central region as a whole, and a decrease of 6.3% throughout Ontario.

TABLE 9

**PETERBOROUGH HAS A LIMITED AMOUNT OF TOP AGRICULTURAL LAND**

| Class | % Total Land |
|---|---|
| 1 | 15.0 |
| 2 | 4.0 |
| 3 | 6.7 |
| 4 | 6.9 |
| 5 | 13.1 |
| 6 | 12.4 |
| 7 | 25.7 |
| Organic Soil | 15.2 |

Source: Agricultural and Rural Development Agreement, Report No. 8, 1975

Peterborough has a relatively larger proportion of low-income farms and a relatively smaller proportion of high-income farms than other parts of Ontario. In 1976 only 6.4% of census farms in Peterborough had annual sales of $50,000 or more, compared with 17.7% in the Central region and 16.9% in the province as a whole. On the other hand, in the same year 54.9% of census farms in Peterborough had annual sales of less than $5,000, compared with 42.0% in the Central region and 37.2% throughout the province.

The predominant type of agriculture in Peterborough County is beef farming, although beef farms have dropped from approximately 55% of total commercial farms in the county in 1961 to just under 50% in 1976. The next most important agricultural sector is dairy farming, with 26.1% of commercial farms in 1976. This is followed by field crops at 9.5%, other livestock at 6.5%, and mixed livestock at 3.1%.

A crucial aspect of agriculture in the Peterborough area is the large number of part-time farmers, or farmers who depend on off-farm employment to supplement low farm incomes. In 1971, 52.3% of census farmers in Peterborough reported some type of off-farm work, compared with 42.8% for Ontario as a whole. The percentage of census farmers in Peterborough reporting more than 229 days of off-farm work per year increased from 15.4% in 1961 to 25.9% in 1971.

TABLE 10

**OFF-FARM EMPLOYMENT HAS BEEN GROWING**

| | % Census Farmers Reporting 229 days Off-Farm Work | | |
|---|---|---|---|
| | 1961 | 1966 | 1971 |
| Peterborough* | 15.4% | 23.6% | 25.9% |
| Central Ontario | 14.8 | 19.9 | 20.6 |
| Ontario | 13.0 | 16.7 | 18.2 |

*Does not include townships of South Monaghan and Cavan.

Source: Statistics Canada - Agricultural Census

Traditionally, the high incidence of part-time farming in Peterborough has been associated with an aging farm population and low farm income. More recently there are indications that increasing numbers of part-time farmers in Peterborough County are younger people who come from urban backgrounds.

In recent years efforts have been made to expand oat farming in Peterborough and the surrounding areas, in connection with the Quaker Oats manufacturing facility in the City of Peterborough. The limited amount of prime agricultural land in Peterborough County, however, places constraints on agriculture's potential as a major force for future economic growth in the Peterborough area.

### 4.1.2 Mining

There are known deposits of four different minerals in Peterborough County. One of those is now commercially exploited, and others are under study and investigation.

Two nepheline syenite mines in the Havelock area to the northeast of the City of Peterborough account for virtually all of the nepheline syenite produced in North America. Nepheline syenite is used in the manufacture of glass and ceramic products. Current employment in the two Peterborough County mines is approximately 200 people, and this is expected to remain stable over the next several years.

There are also deposits of uranium, marl, and vermiculite in Peterborough County. Uranium development in the Peterborough area is unlikely in the foreseeable future. However, the Ontario Ministry of Industry and Tourism is currently assisting in research to facilitate commercial exploitation of marl deposits, and a drying up of American sources has recently opened new market possibilities. Marl can be used as a filler in composite manufactured materials such as plastics. A mining operation for marl deposits in Hastings County just east of Peterborough has been proposed by the Canadian Calcium Carbonate Mining Co. Ltd.

Investigations are also being undertaken with regard to a Peterborough County vermiculite deposit in Galway and Cavendish Township, about 55 km. north of the City of Peterborough. Vermiculite is most commonly used for thermal and sound insulation, and can also be used as an aggregate in lightweight concrete and plasters. Canada now imports its total vermiculite requirements, which were valued at $3.1 million in 1975. If current investigations prove successful, a vermiculite mine could be operating in Peterborough County within five years.

## 4.2 Manufacturing

Manufacturing accounted for 28.5% of total employment in the Peterborough area in 1971, compared with an average of 27.5% for the Central region and 24.4% for the province as a whole. Problems in the Peterborough manufacturing sector are at the centre of the area's current economic difficulties. All major layoffs and shutdowns during the past two years have taken place among long-established manufacturing firms in the Peterborough area.

Statistics Canada survey data on larger firms also indicate that during the past five years manufacturing employment in Peterborough has declined from a high point of 10,000 jobs in December 1974 to a low point of 7,900 jobs in March 1977. Although Peterborough's manufacturing employment rose to 8,100 jobs in June 1977, it fell back down to 7,900 jobs in July 1977.

### 4.2.1 National and International Background

Current problems in Peterborough's manufacturing sector are associated with several key trends in the national and international economy:

1. Historically, both manufacturing wage rates and manufacturing productivity in Canada have been lower than in the United States. In the decade after the Second World War, average manufacturing wages in Canada ranged from just below 70% to just below 80% of average manufacturing wages in the United States. During the same period output per employed worker covered a similar range.*

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*See J.H. Dales, The Protective Tariff in Canada's Development (Toronto, 1966), 98.

During the mid-1970's this historical relationship broke down. In terms of American funds, average hourly earnings for manufacturing in Canada were $3.85 in 1973, $4.47 in 1974, and $4.97 in 1975, compared with $4.08 in 1973, $4.41 in 1974, and $4.81 in 1975 in the United States. At the same time, it is estimated that the actual average level of Canadian productivity in manufacturing remains some 20% below the average level of manufacturing productivity in the United States.*

2. Within the United States itself there have been important shifts in the location of manufacturing activity during the last ten years. These shifts have created major problems of "structural unemployment" in virtually all the northeastern American states adjacent to Ontario.

   The bulk of new manufacturing jobs in the United States during the past decade have gone to the southwest, the southeast, and the Rocky Mountain region just south of the Canadian west. The southwestern United States showed a 40% gain in manufacturing employment between 1966 and 1977, and the Rocky Mountain region showed a 39% gain. By comparison, the Middle Atlantic region closest to Ontario showed a 19% loss.**

3. On an international scale, the past five years have seen considerably stronger manufacturing growth in the non-Communist, less-developed countries (LDCs) than in the traditional industrial nations, especially in "offshore" locations, such as South Korea, Taiwan, and Puerto Rico.

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*Department of Industry, Trade and Commerce, Ottawa, "Productivity and Competitiveness in the Canadian Economy," October 1976.

**Source: United States Bureau of Labor Statistics.

Between 1960 and 1969 the compound annual growth rate of manufacturing output for the traditional industrial nations was about 6.3%, compared with just over 6% in the LDC's. Between 1969 and 1973 the rate for the traditional industrial nations was about 4.5%, compared with over 8% in the LDC's. Between 1973 and 1976 the rate for the traditional industrial nations was close to 0, while the rate for the LDC's was just over 6%.*

4. Historically, Canada's manufacturing sector has been heavily protected by a "national policy" of tariff and other trade barriers, designed to shelter Canada's developing manufacturing industry from international competitors with a more advanced industrial base. The current Tokyo Round of negotiations associated with the General Agreement on Tariffs and Trade (GATT) are expected to reduce these tariff and other barriers significantly over the next several years, with the result that Canadian manufacturing will lose much of its current protection in the domestic Canadian market.

   A less restrictive framework for international trade will ultimately increase the efficiency of manufacturing in Ontario, and improve its ability to compete effectively in Canadian and world markets. At the same time, such a framework will also probably reduce the range of products made in the province and gradually alter long-established geographic patterns in the location of manufacturing activity.

### 4.2.2 Manufacturing in the Peterborough Area

To assess the present state of the Peterborough manufacturing sector in a more specific way, Ontario Treasury staff have interviewed over two dozen manufacturing employers in the Peterborough area. (See Appendix A.) During these interviews a variety of materials on employment prospects and related matters was collected.

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*Source: General Agreement on Tariffs and Trade.

These materials have been used to analyze the top 15 manufacturing employers in the Peterborough area. This group includes all Peterborough manufacturers who employ 50 people or more. Taken together, these 15 firms provided just under 7,900 jobs in the fall of 1977, a figure which is roughly comparable with the level of manufacturing employment indicated in the most recent Statistics Canada larger-firm industrial survey for the Peterborough urban area.*

The top 15 manufacturing employers in Peterborough make a wide range of products, including hydro-generating equipment, outboard motors, food products, clocks and smoke detectors, surgical supplies, coated papers, bulk milk containers, brake linings, precision machine parts, various forms of packaging, industrial electronic products, plastic products and parts, and locks and related devices. As in similar places elsewhere, there are few business inter-relationships among the firms, and most have closer ties with national and international markets and organizations than with other Peterborough manufacturers.**

1. One striking feature of the manufacturing sector in Peterborough is the extent to which employment is concentrated in the largest firms. Approximately 82% of the total employment provided by the top 15 manufacturers is provided by the five largest employers, while less than 6% is provided by the five smallest employers.

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*It is estimated that the top 15 firms provide approximately 90% of all manufacturing employment in the Peterborough area.

**See IBI Group, County of Victoria, Economic Base and Financial Impact Analysis, November 1976.

Some larger Peterborough manufacturers also tend to have several different manufacturing operations combined in one large plant, while the most recent North American trends in new manufacturing development have tended to isolate separate manufacturing operations in separate smaller plants, scattered about at different geographic locations.

TABLE 11

**MANUFACTURING JOBS CONCENTRATED IN LARGEST FIRMS**

| Size Class | % Total Employment |
|---|---|
| Five Largest Firms | 82.3 |
| Five Middle-Sized Firms | 11.9 |
| Five Smallest Firms | 5.8 |
| All Fifteen Firms | 100.0 |

Source: Data based on Ontario Treasury survey of the 15 largest manufacturers in the Peterborough area.

2. Manufacturing in Ontario generally tends to be dominated by "foreign-owned" corporations. Measured in terms of taxable income, about two-thirds of the manufacturing sector in Ontario is held by foreign-owned corporations, and 90% of Ontario's foreign-owned corporations are domiciled in the United States.*

   In Peterborough all of the five largest manufacturers, measured in terms of employment, are Canadian subsidiaries of American corporations. Two of the five medium-sized manufacturers among the top 15 are held by Canadian corporations. All told, just under 92% of the total employment provided by the top 15 manufacturers is with foreign-owned corporations, most of which have head offices in the United States.

TABLE 12

**FOREIGN OWNERSHIP OF LARGE MANUFACTURING FIRMS**

| Size Class | % Total Employment With Foreign Owned Firms |
|---|---|
| Five Largest Firms | 100.0 |
| Five Middle-Sized Firms | 70.3 |
| Five Smallest Firms | 36.6 |
| All Fifteen Firms | 92.0 |

Source: Data based on Ontario Treasury survey of the 15 largest manufacturers in the Peterborough area.

*See Ministry of Treasury, Economics and Intergovernmental Affairs, Ontario, Foreign Control of Ontario Industry, October 1976.

3. With only a few exceptions, the basic structure of Peterborough's current manufacturing sector was established during the 1920's or earlier. Only one firm among the five largest manufacturing employers in the area involves a business established since 1930. This firm accounts for only 4% of the total employment provided by the five largest firms.

Several of the top 15 manufacturers in Peterborough have changed names or ownership since their businesses were first established. And the business of Peterborough's largest manufacturer, Canadian General Electric Company Limited, did not take on its present scope and character until the 1940's.

However, apart from changes in the structure of Canadian General Electric (which first came to Peterborough towards the end of the nineteenth century), among the top 15 employers only four new manufacturing businesses have been established since 1940. These businesses account for just under 8% of the total employment currently provided by the top 15 manufacturers.

Even among these four newer businesses, only one firm, Ethicon Sutures Ltd., has been established since 1960. All the new manufacturing firms that have come to the Peterborough area in the past decade, such as the recently opened Chesebrough-Pond's facility in the new industrial park, currently employ fewer than 50 persons each.

TABLE 13

**MANUFACTURING JOBS CONCENTRATED IN LONG-ESTABLISHED FIRMS**

| Time Period | Businesses Originally Established During Time Period | |
|---|---|---|
| | No. | % Current Total Employment |
| Before 1920 | 4 | 64.1 |
| 1920 - 1939 | 7 | 28.1 |
| 1940 - 1959 | 3 | 4.2 |
| 1960 or After | 1 | 3.6 |
| TOTAL | 15 | 100.0 |

Source : Data based on Ontario Treasury survey of the 15 largest manufacturers in the Peterborough area.

4. Several Peterborough manufacturers interviewed by Ontario Treasury staff indicated that exports are now a significantly less important element of their business than in the past.

Among the top 15 employers, ten firms currently have an export business that accounts for less than 10% of total sales, and four firms make 11-50% of their total sales in export markets. There is only one medium-sized manufacturer in the Peterborough area, Fisher Gauge Limited, whose exports currently account for the overwhelming bulk of its total sales.

TABLE 14

**EXPORT PROFILE OF PETERBOROUGH MANUFACTURERS**

| % Total Sales in Exports | No. Firms | % Total Employment |
|---|---|---|
| 0% - 10% | 10 | 42.1 |
| 11%- 50% | 4 | 56.0 |
| More than 50% | 1 | 1.9 |
| TOTAL | 15 | 100.0 |

Source: Data based on Ontario Treasury survey of the 15 largest manufacturers in the Peterborough area.

5. Parallel to the general problems of cost competitiveness introduced into Canadian manufacturing by the 1974 average wage rate criss-cross between Canada and the United States, several manufacturing firms in the Peterborough area currently indicate important concerns about labour costs.

   Interviews with the top 15 manufacturers by Ontario Treasury staff found six firms indicating serious current problems with labour costs, five firms indicating some problems, and only four firms indicating no problems. Study of standard statistical sources suggests that, although average manufacturing wages in the Peterborough area are competitive with those in other parts of Ontario, they are higher than in many places of comparable size in the United States.

TABLE 15

**PETERBOROUGH'S MANUFACTURING WAGES ARE RELATIVELY HIGH**

| Centre | Approximate Current Population ('000's) | Average Weekly Hours of Manufacturing Employees (June 1977) | Average Weekly Earnings of Manufacturing Employees (June 1977) |
|---|---|---|---|
| Ashville, N.C. | 168 | 40.2 | 160.00 |
| La Crosse, Wisconsin | 88 | 39.2 | 200.67 |
| St. Joseph, Missouri | 100 | 40.5 | 210.20 |
| Lincoln, Nebraska | 185 | 38.8 | 210.30 |
| Elmira, N.Y. | 99 | 40.5 | 222.75 |
| Cheyenne, Wyoming | 64 | 42.2 | 227.77 |
| Sioux Falls, South Dakota | 100 | 42.0 | 240.66 |
| Bay City, Michigan | 119 | 50.4 | 370.49 |
| Peterborough, Canada | 100* | 38.9 | 247.23 |
| Kingston, Canada | 108* | 39.4 | 255.86 |

*Surrounding County Population

Sources: Statistics Canada, U.S. Department of Labour.

### 4.2.3 Continuing Strength in Peterborough Manufacturing

It is important to temper alarm over recent layoffs and shutdowns in Peterborough's traditional manufacturing industries with some recognition of the area's continuing strengths in manufacturing activity. Ontario Treasury staff interviews indicate that several of the top 15 manufacturing employers have found 1977 a good year, despite general problems in the national and international economy.

These firms show signs of continuing employment growth and a strong future in the Peterborough area. They tend to involve businesses with a high technology content, and in some cases firms with a significant proportion of total sales in export markets.

The labour force in the Peterborough area also has a high concentration of engineering and mechanical skills. These skills can be important economic assets. There may be some room for increasing them through a greater stress on engineering and the mechanical trades in Peterborough's public education system, especially in its two institutions of higher education.

### 4.2.4 Manufacturing Activity Outside the City

There is a limited amount of manufacturing activity in the Peterborough area located in hamlets and villages outside the city, such as Lakefield Arms Ltd. in the Village of Lakefield and Marten Manufacturing Ltd. in the Havelock area.

Potential for expansion of this kind of activity in the larger Peterborough area is constrained at present by a lack of provision for industrial uses in local plans and by-laws, limited piped-service facilities in the county outside the city, and the lack of a focus for industrial promotion efforts at the county level of municipal government.

### 4.2.5 Prospects for Future Manufacturing Growth in Peterborough

Peterborough area manufacturers interviewed by Ontario Treasury staff were asked to give rough approximations of their expected five-year employment growth. In most cases these were not based on detailed estimates or projections, but they do provide a general indication of future prospects for growth in Peterborough's existing manufacturing sector.

For the top 15 manufacturers taken together, these approximations suggest that, with some general improvement in future economic conditions, there could be as many as 1,000 new manufacturing jobs created in the Peterborough area between 1978 and 1982. This does not, of course, include jobs that might be created by the attraction of new manufacturing firms to the area.

In assessing the significance of these rough approximations, two factors seem especially important:

- The decline in manufacturing employment in the Peterborough area during the past few years has been such that even the creation of well over 1,000 new manufacturing jobs over the next five years would still mean a 1982 level of manufacturing employment significantly below the peak level achieved during the early 1970's;

- If recent trends are any indication, new manufacturing firms attracted to the Peterborough area over the next five years are unlikely to employ large numbers of people.

Overall, analysis of the top 15 employers suggests that manufacturing in the Peterborough area is now in a period of transition. Peterborough will remain an important manufacturing centre with a sizable manufacturing sector well into the future. But it is unlikely that growth in Peterborough's manufacturing sector will continue to provide a substantial number of the new jobs required by the area's rapidly expanding labour force.

## 4.3 Service Sector

In 1971 service sector industries accounted for 54.7% of total employment in the Peterborough area, compared with an average of 56.2% for the Central region, and 56.9% for the province as a whole.

The available data also suggest healthier recent growth patterns in Peterborough service employment than in manufacturing employment. According to Statistics Canada's larger-firm survey, there was a net loss of 800 manufacturing jobs in Peterborough between March 1973 and June 1977. By comparison, the same period saw a net gain of 1,000 jobs in wholesale and retail trade.

### 4.3.1 Current Composition

The largest component in Peterborough's present service sector is wholesale and retail trade, which accounted for 30% of all service employment in 1971 (the most recent year for which data of this sort is available). A major regional retail chain store has its head office in Peterborough, and the area is an important base for a wide variety of smaller sales and distribution offices that serve eastern and north-central Ontario markets.

1971 data also indicate that education, health and welfare, and personal services each account for from 11% to 13% of Peterborough's service employment. Transportation and communications, accommodation and food, and public administration each take up over 8%, while finance, insurance, and real estate account for just over 6%. The general picture suggests a current service sector dominated by wholesale and retail trade, education, and medical and related health services.

TABLE 16

**PROFILE OF SERVICE JOBS**

| Sub-Sector | % Total Service Employment (1971*) |
|---|---|
| Wholesale and Retail Trade | 30.0 |
| Education | 13.3 |
| Personal Services | 12.8 |
| Health and Welfare | 11.5 |
| Accommodation and Food | 8.8 |
| Transportation and Communications | 8.8 |
| Public Administration | 8.6 |
| Finance, Insurance, and Real Estate | 6.2 |
| TOTAL | 100.0 |

*Most recent data available.

Source: Treasury Estimates, based on Statistics Canada data.

### 4.3.2 Types of Service Sector Growth

Rapid expansion in the service sector is a comparatively recent phenomenon in industrial economies, and its underlying character is not well understood. However, one widely accepted distinction is between service industries which "follow" and those which "lead" population growth. New population growth in an area, for example, provides new markets for new retail stores, dry cleaners, and restaurants, which open up new employment opportunities. On the other hand, a new office establishment that produces insurance policies or computer software opens up new employment opportunities which can attract new population growth.

In the past it has been conventional to argue that those types of service sector expansion which lead population growth tend to concentrate in large urban agglomerations such as Metropolitan Toronto. More recently, there are indications that these tendencies may be changing, although relative proximity to a large urban agglomeration is probably still important. A 1975 study of service industries in Toronto suggests several different kinds of population-leading businesses that may find "decentralized" locations in smaller urban centres attractive in the future:

1. "Higher Order"* Services
   . Manufacturing Head Offices
   . Market Research Organizations
   . Diversified Engineering Consultants;

2. "Middle Order"* Services
   . Consumer Finance Companies
   . Insurance Companies
   . Urban Development Industries (developers, architects, contractors, etc.).**

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*"Higher Order" and "Middle Order" refer to the rarity of a particular service: the highest order services are the most rare.

**Gunter Gad, Toronto Central Office Complex: Growth, Structure and Linkages, Toronto, 1975.

### 4.3.3 Strategic Elements in Peterborough's Current Service Sector

The population-leading elements in Peterborough's current service sector are relatively undeveloped. But the area does have a small group of businesses in this class that provide a base for future expansion:

1. At least three different kinds of higher order service industry are now present in the Peterborough area. The head office of the Quaker Oats Company of Canada Limited, for example, is located just outside the downtown area of the City of Peterborough and employs about 125 people. Greer, Galloway & Associates Ltd., consulting engineers, are located at the edge of the Peterborough industrial park and currently employ over 50 people.

   Both Trent University, which employs about 600 people, and Sir Sanford Fleming College, employing about 350 people, could also be viewed as higher-order services. Ontario Treasury staff interviews indicate that Peterborough businessmen tend to feel Trent University would be a more useful economic asset if it adopted a stronger business orientation.

   In this connection, Peterborough has a traditional reputation as a national market-test centre for new consumer products and distribution innovations. Although Peterborough's role as a market-test centre has declined in recent years, development of a strong academic market research capability at Trent could provide additional attractions to the Peterborough area as a location for new service industry, while capitalizing on Peterborough's earlier reputation as a barometer for national market trends.

   The market research industry generally is also showing strong signs of economic vigour, despite slowdown in the national and international economy. Since 1971 the annual revenue of the 15 largest market research firms in Canada has increased by 250%, and the Canadian Association of Marketing Research Organizations expects industry sales to increase by up to 20% in 1978.

2. Local efforts to promote a more diversified economic base have encouraged the Toronto-based Liberty Mutual Insurance Company to bring approximately 200 new insurance policy production jobs into the Peterborough area. This suggests strong practical support for the argument that there is considerable potential for new growth in Toronto-based middle-order service industries to locate in smaller urban centres that are still reasonably close to Toronto. Current indications are that other insurance companies are also exploring the prospects of a Peterborough location.

   Similarly, Bowes and Cockes Limited, which also has its head office in Peterborough, is now extending its traditional real estate operations to become the head office for Gallery of Homes of Canada Ltd., an innovative form of real estate marketing service. During the past decade Peterborough's oldest surviving business-Peterborough Lumber Limited, whose origins stretch back to the 1840's-has gradually diversified into major recreational real estate developments, operating throughout eastern and north-central Ontario from a Peterborough base.

### 4.3.4 Peterborough's Attractions for New Service Industry

Ontario Treasury staff interviews with service sector businessmen inside and outside Peterborough suggest that the area has three key attractions for population-leading service industries that may be contemplating some decentralization of future employment growth:

- Abundant supply of appropriately skilled labour;
- Proximity to Toronto;
- High "quality of life" in the area.

1. Interviews with local businessmen indicate that the Peterborough area has a strong supply of clerically skilled labour. This is especially true among female workers, who have participated in the labour force in increasingly large numbers during the past few years. The traditional stability of the Peterborough labour force could also be a special attraction for middle-order service industries such as consumer finance and insurance companies.

   Peterborough also has a large pool of highly qualified engineering personnel, part of which can periodically become available for employment. Local estimates indicate that the number of lawyers in the area has doubled during the past five years. Both these clusters of skills could be additional attractions for higher-order and some middle-order service industries.

2. The City of Peterborough is about 130 km. from Metropolitan Toronto, and the drive from Peterborough to Toronto by car usually takes little more than 1-3/4 hours. There are also daily passenger rail and bus services between Peterborough and Toronto.

   Ontario Treasury staff interviews indicate that there are several small- to medium-sized service operations in Peterborough which originally came from Toronto and still do the bulk of their business in the Toronto area. At least one firm maintains constant communications with the Toronto area through a small private fleet of lightweight trucks.

3. High quality of life in the Peterborough area is related to a wide range of outdoor recreation opportunities, a good public education system, readily available medical facilities and a stable social climate for raising families. These factors can also be an attraction for medium-sized, high-technology manufacturing firms with a strong service orientation, such as the present Ethicon Sutures facility located at the edge of the City of Peterborough.

### 4.3.5 Prospects for Future Growth

Much of Peterborough's current service industry tends to follow rather than lead population growth, e.g. retail trade, education, health and welfare. Peterborough is a service centre for its wider region, and draws on a larger population base than lies within the Peterborough urban area itself, where most services are concentrated. Generally, the pace of growth for Peterborough's population-following service industry should match the overall pace of population growth in the larger Peterborough area.

Three points about current population trends are important in this context:

- Population growth in Ontario as a whole is slowing down;
- Despite this general slowdown, if recent deconcentration trends in the Central region continue, the pace of future population growth in the larger Peterborough area could be somewhat quicker than in the past;
- There is a large seasonal population increase in the Peterborough area, associated with the recreation and tourism industry. This provides expanded seasonal markets for some Peterborough service industries, especially during the summer months.

A great deal of Peterborough's current service industry also lies within the public sector-most obviously in education, health, and welfare. Most of this type of service industry tends to follow rather than lead population growth, as well. Moreover, growth in public-sector service industries is also conditioned by the public sector's rate of expansion relative to the economy as a whole. Current trends towards restraint in all levels of government expenditure will probably slow down growth in public sector service industries.

Peterborough's strongest potential for service sector expansion lies with population-leading service industries in the private sector, such as engineering consultants, insurance companies, and urban development industries. Although current national and international economic trends make it unrealistic to expect dramatic short-term results, Peterborough has strong attractions for this kind of service sector growth. Recent studies and the practical example of Liberty Mutual Insurance Company suggest that aggressive local marketing of these attractions could bring substantial new employment into the Peterborough area over the mid- to long-term future.

## 4.4 Recreation and Tourism

The Kawartha Lakes district is a major recreation and tourism centre. Ontario Treasury staff estimates suggest that, at the height of the summer season, the population of the Peterborough area almost doubles in size, as a result of the inflow of cottagers and tourists. In 1971 the accommodation and food component of the Peterborough area service sector accounted for just over 5% of total employment, a substantial portion of which can be attributed to recreation and tourism activity.

Ontario Ministry of Industry and Tourism statistics for 1973 suggest that just under $84 million per year is spent by recreation and tourism visitors to the Peterborough-Haliburton tourism zone. Approximately 94% of of these visitors come from other parts of Ontario, 4% from the United States, and 2% from other parts of Canada. The 4% visitors from the United States spend just under $12 million per year, compared with less than $2.5 million per year spent by the 2% of visitors from other parts of Canada. Over three-quarters of the American visitors come from the states of Ohio, New York, and Michigan.

### 4.4.1 Recreation and Tourism Facilities in Peterborough

Ontario's 1976 municipal enumeration data indicate that there are over 11,500 seasonal cottages in the Peterborough area. These tend to be concentrated in the north end of the county. About 18% of all cottages are in Belmont and Methuen Township, 17% in Harvey Township, 14% in Galway and Cavendish Township, and 12% in Burleigh and Anstruther Township.

Local realtors indicate that few new cottages have been built in the Peterborough area in the recent past, but there is an active market in cottage resales. Some of the cottages have been winterized and can serve as retirement housing. Most cottages in the area are owned by people from the Toronto and Oshawa subregions, and by people from the City of Peterborough.

# TABLE 17

## CURRENT TOURIST MARKET PATTERNS IN THE PETERBOROUGH-HALIBURTON ZONE

| ORIGIN | TRIP PURPOSE/ACTIVITIES | ACCOMMODATION | TRANSPORTATION | LENGTH OF STAY | PARTY CHARACTERISTICS | EXPENDITURES |
|---|---|---|---|---|---|---|
| Ontario Residents constitute the main visitation market 94%<br>U.S. visitors form 4% and other province visitors 2% of the visitation market<br><br>U.S. Visitors<br>Ohio 32.3%<br>New York 25.5%<br>Michigan 17.9%<br><br>Ontario Residents<br>Central Ontario 83% for weekend trips and 72% for vacations<br>Niagara 13% for vacations<br>Lake Ontario 6% for weekend | All major activities occur mainly in the summer and shoulder seasons<br><br>U.S. Visitors<br>Trip Purpose:<br>vacation at an Ontario resort 37.1%<br>outdoor recreational activities 20.6%<br>stay at cottage, cabin 18.2%<br>Activities:<br>fishing 34.6%<br>motor boating 24.6%<br>swimming 23.5%<br><br>Ontario Residents<br>Activities:<br>recreational driving and touring 30%<br>cottaging 28%<br>motor boating 10% | U.S. Visitors<br>resort lodge 26.6%<br>own cottage 25.9%<br>rented cabins/ cottage 24.2%<br><br>Ontario Residents<br>cottage/chalet/ hobby farm 72%<br>other 9%<br>tent/tent trailer 7% | Ontario Residents<br>automobile 92%<br>bus 5% | U.S. Visitors<br>4 or more nights 76.3%<br>3 nights 9.9%<br>1 night 6.6%<br><br>Ontario Residents<br>1 week 36%<br>4-6 days 27%<br>2 weeks 26% | U.S. Visitors<br>average party size 9.35<br>Age:<br>45-64 years 29.9%<br>Income:<br>$10,000-14,999 35.7%<br>$15,000-24,999 33.1%<br><br>Ontario Residents<br>party size of 4 26%<br>mainly families 38%<br>Age:<br>20-34 years 28% for weekend trips<br>12-19 years 33% for vacations<br>Education:<br>high school 71% for weekend trips and 68% for vacations<br>Income:<br>$10,000-14,999 40% for weekend trips and 44% for vacations | U.S. Visitors<br>$11,730,000 outdoor recreation/ visiting cottage/ resort 71%<br>visiting friends/ relatives 16%<br><br>Ontario Residents<br>$69,767,000 visiting friends/relatives 31%<br>sightseeing/touring/Niagara Falls 21%<br>Personal 20%<br><br>Other Provinces<br>$2,399,000 visiting friends/relatives 45%<br>sightseeing/touring/Niagara Falls 33%<br><br>TotalExpenditures $83,896,000<br><br>U.S. 13.98%<br>Ontario 83.16%<br>Other Provinces 2.86% |

Source: Balmer, Crapo & Associates Inc., based on 1973 data from Ontario Ministry of Industry and Tourism.

According to Ontario government and Statistics Canada data, there are over 4,500 tent and trailer sites in the Peterborough area, over 1,600 units in motels, cabins, and resorts, and half a dozen year round hotels. Much of the tourist accommodation in the area is of marginal quality when compared to current North American standards and requires significant renovation and upgrading.

Along with its scenic countryside, the Kawartha Lakes, and the Trent Canal, Peterborough has several special tourist attractions. These include the Indian Serpent Mounds site and the Petroglyphs park in the northern part of the county. Similarly, as an area of early settlement in Ontario, Peterborough has several sites of strong historic interest and a local museum. The area also offers good opportunities for outdoor recreation in the winter months, which are only beginning to be exploited in a significant way.

### 4.4.2 Recent Trends in the Peterborough Recreation and Tourism Industry

Local interviews suggest that growth in the Peterborough recreation and tourism industry is slowing down. Part of this is related to a gradual deterioration of old facilities, and part is related to more general problems in the Canadian tourist industry, reflected in Canada's present tourism deficit with the United States.

Similarly, because of increased costs, many older and less efficient tourist-oriented operations have been forced to close down. In 1965, 74 American-plan resorts were operating in the Peterborough area, while in 1975 only 40 remained.

New recreation and tourism development in the Peterborough area has also been held back by strong concern over the possible consequences of new growth for the ecological balance and natural attractions of the Kawartha Lakes. During the past three years proposals for over 1,200 new recreation and retirement housing units in the Peterborough area have been effectively blocked by concerns of this sort.

The large seasonal population increases brought about in the Peterborough area by recreation and tourism activity also provide an expanded market for many service industries. Ontario Treasury staff interviews with local businessmen suggest that this market is not being exploited to its fullest extent in the Peterborough urban area. Stronger selling efforts specifically addressed to seasonal markets could provide a significant stimulus to the Peterborough urban economy, especially during the summer months.

### 4.4.3 Prospects for Recreation and Tourism Growth

The greatest potential for economic growth in the larger Peterborough area outside the city lies in a renewal and expansion of Peterborough's traditional recreation and tourism industry.

Although this renewal must take place within a framework that protects the area's natural amenities, the need for improving existing tourism facilities also requires the creation of a more favourable climate for new recreation and tourism development. This implies an increased willingness to make trade-offs between stringent environmental protection objectives and realistic concerns for continuing economic growth.

Renewal of the recreation and tourism industry in the larger Peterborough area can bring increased economic benefits to the City of Peterborough as well. Along with the expanded seasonal market for city consumer service industries noted earlier, more vigorous exploitation of the city's strategic location on the Trent-Severn canal system could provide additional new markets for the local urban economy.

In addition to its traditional recreational attractions, the Peterborough area also has special advantages that are only beginning to be commercially exploited in an effective way. Examples include Serpent Mounds, Petroglyphs park, opportunities for outdoor recreation during the winter months, and Peterborougn's well developed sense of local and provincial history. The county level of government-or the county and city together-could consider redeploying existing staff and resources to provide a focus for more aggressive development of these advantages throughout the larger Peterborough area.

# 5. SPECIAL CONCERNS

During this study several broad topics of special concern for future economic development in the Peterborough area arose. These include transportation, environmental questions, municipal tactics to promote new growth, and provincial financial assistance.

## 5.1 Transportation

Concern has been expressed that transportation may be a key element in Peterborough's present economic difficulties. Peterborough is "off the beaten path," set back from the major transportation corridor along the lakeshore at Highway 401, and this acts as a disincentive to new manufacturing and other industries locating in the area. How realistic is this concern?

### 5.1.1 Manufacturing and Freight Movement

Ontario Treasury staff have asked Peterborough's current manufacturers if transportation freight costs are an especially onerous burden. Two of the top 15 manufacturers indicated that they had serious transportation problems. These firms represented only 4% of total employment among the top 15 manufacturers. Six other firms indicated that they had some transportation problems, while seven firms indicated that their transportation problems are insignificant.

Interviews with local businessmen also suggest that for manufacturers who do business with a largely Canadian or even Ontario-wide market Peterborough is an effective central location. At the same time, Peterborough's location does create difficulties for manufacturers who do the bulk of their business with markets concentrated in the immediate Toronto area.

In addition to Ontario Treasury staff interviews, the Ontario Ministry of Transportation and Communications has recently completed a study of industrial transportation requirements for all of Ontario. This study found "no particular problem" in the Peterborough area and noted that the incidence of complaint in Peterborough was "no higher than the average for other Southern Ontario communities." Moreover, the complaints that were made did not relate to basic transportation infrastructure in the area.

Information from the Ontario Ministry of Transportation and Communications also indicates that only 6-8% of the truck traffic in the Peterborough area occurs during peak hours, while the rest occurs during the remainder of the day "when traffic conditions are significantly lighter." Provincial transportation analysts suggest that general traffic congestion on Peterborough area highways does "not constitute an appreciable restraint on truck traffic" to and from the City of Peterborough.

### 5.1.2 Service Sector and Public Passenger Transportation

Transportation incentives and disincentives for service industries are different from those affecting manufacturing firms. This draws attention to the present state of public passenger transportation services, especially between Peterborough and Toronto.

CP Rail currently operates a one-round-trip daily passenger service between Toronto and Havelock, which also stops at Peterborough. This service leaves Peterborough at 6:45 a.m. and arrives in Toronto Union Station at 8:50 a.m.; in the evening it leaves Toronto Union Station at 5:30 p.m. and arrives in Peterborough at 7:25 p.m. The one-way adult fare between Toronto and Peterborough is $4.20. CP ticket information suggests that from 30 to 35 people from Peterborough use this service daily throughout the week.

There are now an average of 12 daily bus trips between Peterborough and Toronto. There is only one suitable commuter trip offered among these services, and this trip covers the distance between Peterborough and Toronto in just under two hours. Nonetheless, the wide range of daily bus services provides good business and shopping access to Toronto from the Peterborough area. There are also two daily bus services between Peterborough and Oshawa, and four daily services between Peterborough and Cobourg.

### 5.1.3 Other Transportation Services

The Peterborough area provides a relatively complete range of other transportation facilities and services. Over two dozen trucking firms offer freight movement services at rates negotiated with individual users. Similarly, both CN and CP Rail offer rail freight services to and from the Peterborough area. The City of Peterborough operates a municipal airport, and two smaller airline companies operate regular passenger and air freight services between Peterborough and such places as Toronto, Kingston, Ottawa, Montreal, and Rochester, N.Y.

Within the City of Peterborough there is a municipal bus transit service run by a private operator, and an innovative Trans-Cab service operated by the city and financially assisted by the Government of Ontario. The Ontario Ministry of Transportation and Communications is also currently engaged in improvement projects on Highways 115 and 28 in the vicinity of the City of Peterborough. A local inter-city bus network provides regular service between the city and surrounding centres such as Lindsay, Lakefield, and Havelock.

### 5.1.4 Highway Development Plans

Current provincial highway development plans related to Peterborough include the possible long-term option of a new four-lane Highway 407, running from just north of Metro Toronto to the present Highway 35/115. Requirements for other major improvements to the highway network in the Peterborough area, such as widening of existing facilities between the city and Highway 401 in the lakeshore region to the south, will be evaluated through a continuous monitoring process, designed to establish an appropriate and timely response to travel demand.

From a development-promotion standpoint, although Peterborough has increasingly closer ties with the lakeshore region to the south, no amount of expensive transportation service will alter the fact that Peterborough is not actually located in the lakeshore region. And, at current highway speed restrictions and with excess off-peak highway capacities, a new four-lane highway linking the City of Peterborough and Highway 401 may not significantly improve access between the lakeshore region and the Peterborough area.

## 5.2 Environmental Questions

Concern for degradation of the Kawartha Lakes has led to the development of a draft environmental strategy for part of the Peterborough area (known as the Kawartha Strategy), and the inclusion of strict environmental controls within proposed official plans for parts of Peterborough County.

Preparation of the Kawartha Strategy began as a reaction to two large recreation development proposals for the Pigeon and Sandy Lakes area in Peterborough County, neither of which is yet under way. Overall, the strategy suggests that:

- Most of the shoreline in the Kawartha Lakes district is already built on, and there is very little recreation property of this sort left to develop;

- On the other hand, recent population growth in the area has been almost twice the provincial average, and the demand for new recreation and retirement housing is intense;

- Much of the area left to develop is environmentally sensitive, and there are major dangers that overdevelopment will seriously contribute to deterioration in the water quality of the Kawartha Lakes;

- The water quality of the Kawartha Lakes is an important economic resource for the region's recreation and tourism industry and must quickly be protected by stringent development controls and heavy requirements for planning and environmental review of new development projects.

Granting the importance of a framework for environmental protection in the Kawartha Lakes, some specific aspects of the draft Kawartha Strategy do not blend well with the current state of the recreation and tourism industry in the Peterborough area; e.g.:

- There has been virtually no new recreation and tourism development in the Peterborough area during the past few years, although there is a quite active market for recreation and retirement home resales;

- The high incidence of marginal facilities in the Peterborough area makes new development of recreation and tourism facilities a crucial concern for the economic health of the area's recreation and tourism industry;

- One of the major development proposals leading to preparation of the Kawartha Strategy took over six years to pass through the approval process that existed before the more stringent measures now being proposed by the draft strategy. When the proposal finally received approval, investment funds to support it had dried up;

- During the fall of 1977, marina operators in the Peterborough area publicly complained that excessive publicity about milfoil problems in the Kawarthas had discouraged traditional American visitors to Peterborough from returning to the area.

In addition to the draft provincial-municipal Kawartha Strategy, emerging municipal official plans for large portions of Peterborough County also include relatively strict provisions for environmental control and detailed procedures for impact analysis of new development proposals. These provisions could also act to deter redevelopment of existing recreation and tourism facilities. For all forms of planning activity in the larger Peterborough area, there is an increasing need to re-evaluate the balance between rigorous environmental protection objectives and policies designed to encourage the renewal of a strong recreation and tourism industry in the Kawartha district.

## 5.3 Municipal Tactics to Attract New Growth, and Provincial Assistance

Problems in the national and international economy have created a climate of intense municipal competition for new economic growth throughout North America. From the standpoint of Ontario municipalities, this competition is enhanced by the reaction of municipalities in the northeastern United States to heavy structural unemployment problems, brought on by the shift of new manufacturing activity to southern and midwestern locations during the past decade. Increasing shifts of new manufacturing activity to offshore locations in the less developed countries are also adding to competitive pressures on the North American continent.

For the promotion of new economic growth in the Peterborough area, this new continent-wide competition has two key implications:

- There are some kinds of manufacturing industry for which the Peterborough area is unlikely to compete successfully with parts of North America that have considerably lower wages and that offer strong incentives and concessions to attract new growth;

- Increasingly more aggressive and sophisticated marketing efforts will be required to bring in those kinds of service industry for which Peterborough has a growing potential attraction.

It has recently been proposed that a Greater Peterborough Economic Development Council be established, to strengthen the promotion of economic growth in the Peterborough area. Peterborough also has a strong existing tradition of industrial development and promotion.

In the City of Peterborough, local government expenditure on industrial development increased by just under 50% between 1974 and 1977, and budgeted expenditures for 1978 represent an increase of almost 200% over 1977. This should provide a significant boost to the process of mobilizing the promotional energy needed to compete effectively in the current North American municipal growth climate.

Current provincial economic development policy in Ontario is based on the fundamental need to foster productive new investment by the private sector of the economy, in order to generate new long-term employment opportunities. Major elements in this policy are restraint in provincial government expenditures and strong control on the growth of the provincial public sector. Total enrolment in the Ontario civil service, for example, declined from 65,301 employees in March 1975 to 63,697 employees in March 1977.

Within this broad framework, a variety of special development assistance programs for municipalities and private businesses are offered by the Ontario Ministry of Industry and Tourism and the provincial development corporations. The most important of these programs are outlined briefly in Appendix B of this study. The Province could also consider supporting local employment-generating initiatives through the Regional Priority Budget.

## 6. REVIEW OF PETERBOROUGH'S ROLE IN THE CENTRAL REGION

In May 1970 the Government of Ontario published a general policy statement on development in the Toronto-Centred Region (TCR), which included material on development in the Peterborough area.

This statement was supplemented by a status report on the Toronto-Centred Region issued in August 1971.

In April 1976 the Treasurer of Ontario indicated in a speech to the Legislative Assembly that the Toronto-Centred Region statement of 1970 would be reviewed, as part of an updated economic development strategy for Central Ontario.

This review is now in its final stages. An updated statement for the Central region will be released in 1978.

### 6.1 Provincial Policy on Peterborough's Role Since 1970

For purposes of urban development, Design for Development: The Toronto-Centred Region (1970) recommended "moderate growth" in Peterborough. It also noted that the Kawartha Lakes district in the Peterborough area was an important recreational resource, that demanded "special attention . . . to minimize environmental damage while at the same time making effective use of . . . resources."

Design for Development: A Status Report on the Toronto-Centred Region (1971) emphasized that expected growth in the Port Hope-Cobourg area to the east of Metropolitan Toronto "does not mean . . . that we anticipate slower growth in adjacent centres such as Peterborough and Lindsay . . . Peterborough and Lindsay would grow at least as rapidly as they have in the past." Largely as a result of transfer payments to post-secondary institutions, between 1972 and 1976 per capita provincial payments to the Peterborough area increased at a faster rate than in any other TCR area outside the Hamilton-Toronto-Oshawa urban complex at the edge of Lake Ontario.

In 1974 the Government of Ontario included the Peterborough area within the boundaries of the Eastern Ontario Development Corporation, in response to local requests for stronger recognition of Peterborough's industrial base. This qualifies manufacturers in the Peterborough area for more generous forms of government development assistance than are available in other parts of the Central economic development region. During the past four years the corporation has granted over $4 million worth of special assistance to businesses in the Peterborough area.

TABLE 18

**PETERBOROUGH AREA: EASTERN ONTARIO DEVELOPMENT CORPORATION GRANTS**

| Year | Amount ($) | Projected Employment (Five Years) |
|---|---|---|
| 1973* | 662,438 | 150 |
| 1974 | 2,189,900 | 378 |
| 1975 | 783,000 | 80 |
| 1976 | 500,000 | 50 |
| TOTAL | 4,133,338 | 658 |

*From Ontario Development Corporation.

Source: Eastern Ontario Development Corporation

In 1977 the Ontario Ministry of Industry and Tourism released Framework for Opportunity: A Guide to Tourism Development in Ontario/Canada. This document places the Peterborough area in tourism development Zone 9 (Peterborough-Haliburton). In terms of total visitor spending, Zone 9 ranks sixth among seventeen different tourism development zones in Ontario.

TABLE 19

**PETERBOROUGH RANKS HIGH IN TOURISM SPENDING**

| Zone No. | | Total Visitor Spending 1973 ($ Millions) |
|---|---|---|
| 5 | Toronto | 376 |
| 3 | Niagara-Brantford | 228 |
| 10 | Trenton-Cornwall | 117 |
| 8 | Parry Sound-Huntsville-Barrie | 96 |
| 1 | Windsor-Point Pelee | 87 |
| 9 | Peterborough-Haliburton | 84 |
| 12 | Ottawa | 80 |
| 17 | Kenora-Rainy River | 52 |
| 7 | Collingwood-Midland-Orillia | 39 |
| 4 | Kitchener-Stratford | 39 |
| 15 | Sault Ste. Marie-Wawa | 37 |
| 13 | North Bay | 29 |
| 16 | Thunder Bay | 24 |
| 11 | Renfrew-Kingston | 24 |
| 2 | Sarnia-Bayfield | 20 |
| 14 | Sudbury | 18 |
| 6 | The Bruce Peninsula | 15 |

Source: Ontario Ministry of Industry and Tourism

## 6.2 Interactions Between Peterborough and Other Areas

Two different kinds of statistics provide evidence on Peterborough's current relationships with surrounding communities.

Journey-to-work data from the 1971 Census (the most recent date for which information of this sort is available) suggest that Peterborough has traditionally been a regional employment centre. On balance, in 1971 over 600 more people came from other areas to work in Peterborough than went from Peterborough to work in other areas. The data also indicate that Peterborough's strongest commuting relationships are with the Regional Municipality of Durham and with Northumberland and Victoria Counties.

TABLE 20

**REGIONAL COMMUTING PATTERNS (1971*)**

| | TO Peterborough From | From Peterborough To | Net Movement |
|---|---|---|---|
| Durham | 649 | 368 | + 281 |
| Victoria | 623 | 230 | + 393 |
| Northumberland | 544 | 241 | + 303 |
| Toronto | 136 | 275 | - 239 |
| Other Central | 243 | 243 | 0 |
| Outside Central | 306 | 421 | - 115 |

*Most recent data available.

Source: Ontario Treasury, Estimates based on Statistics Canada data. (1974 Boundaries)

In some respects 1971 journey-to-work data present a misleading impression of present realities. For example, they suggest that over 275 more people came from Durham to work in Peterborough than went from Peterborough to work in Durham. They also indicate that somewhat less than 375 people went from Peterborough to work in Durham. Current local reports, however, suggest that over 500 people now commute from Peterborough to the General Motors plant in Oshawa.

Data from the Ontario Ministry of Transportation and Communications on automobile trips to and from the City of Peterborough also shed light on Peterborough's interactions with other areas. On an average summer weekday in 1976, almost 22% of all trips to and from the City of Peterborough were within Peterborough County. Another 36% were between Peterborough and Northumberland and Victoria Counties, the Durham region, and Metropolitan Toronto. Another 36% again were between Peterborough and Eastern Ontario, while the remaining 6% were between Peterborough and areas to the west and north.

TABLE 21

**AUTOMOBILE TRIPS TO AND FROM THE CITY OF PETERBOROUGH: AVERAGE SUMMER WEEKDAY (1976)**

| Place | Business | Social | Other | Total No. | Total % |
|---|---|---|---|---|---|
| Peterborough County | 2,866 | 488 | 2,621 | 5,975 | 21.9 |
| Durham | 891 | 256 | 1,481 | 2,628 | 9.6 |
| Victoria | 1,114 | 410 | 1,756 | 3,280 | 12.0 |
| Northumberland | 882 | 474 | 1,146 | 2,502 | 9.2 |
| Toronto | 446 | 422 | 510 | 1,378 | 5.1 |
| Sub Total | 3,333 | 1,562 | 4,893 | 9,788 | 35.9 |
| Eastern Ontario | 5,545 | 1,016 | 3,410 | 9,971 | 36.1 |
| West and North | | | | | 6.1 |

Source: Ontario Ministry of Transportation and Communications

The data also show that relatively more of the trips between Peterborough and Eastern Ontario were for business purposes. On the other hand, relatively more of the trips between Peterborough and Northumberland, Victoria, Durham, and Toronto were for social and shopping purposes.*

*Shopping trips are included in the "Other" category in Table 21.

These statistics suggest strong relationships between the City and County of Peterborough, and a larger Peterborough area that looks about equally to Eastern Ontario on the one hand and to the eastern subregion of Central Ontario on the other.

## 6.3 Related Developments in Other Parts of the Central Region

Two important clusters of current developments in the Central region outside Peterborough relate to developments inside the Peterborough area.

1. Several other parts of the Central region-such as the Collingwood-Midland area in Simcoe and the St. Catherines-Port Colborne area in Niagara-have current economic difficulties similar to those in Peterborough:

   - Above-average dependence on manufacturing activity;
   - Recent declines in manufacturing employment;
   - Recent major layoffs and shutdowns in key manufacturing industries;
   - Above-average levels of unemployment.

   This pattern of shared difficulties suggests that Peterborough's current economic situation relates to wider problems of structural unemployment in the manufacturing sector for the Central economic development region as a whole. These problems in the Central region also relate to structural unemployment difficulties in other parts of Ontario, and in a less direct way to parallel problems in the northeastern United States. In addition, they raise important long-term questions about the future growth of manufacturing activity in parts of the Central region beyond the Toronto area.

2. Four major energy construction projects are now planned or under way in the lakeshore region east of Toronto and south of Peterborough. These include an expansion of Ontario Hydro's Pickering Generating Stations, two new Ontario Hydro Generating Stations at Darlington and Wesleyville, and Eldorado Nuclear Limited's refinery and waste disposal site at Port Granby. These projects are expected to create over 8,000 new construction jobs over the next decade, and just under 1,500 new permanent jobs once they are completed.

Consultants' impact studies are sceptical about the extent to which these projects will draw on construction work forces as far north as Peterborough. Nonetheless, Peterborough should benefit in a general way from the broad economic stimulation brought on by new energy projects in the lakeshore region, and there is some possibility that the projects will provide relief to current construction unemployment in the Peterborough area. Ontario Hydro opened an employment office at its Darlington site in January 1978.

## 6.4 Peterborough's Future Role in the Central Region

Policy concerning the Peterborough area's future role in the Central Ontario economic development region should take account of several different factors:

- Prospects for somewhat stronger population growth relative to the region as a whole than in the past;

- Continuation of a sizable manufacturing sector in the Peterborough urban area, but only small gains in manufacturing employment;

- High quality of life in the Peterborough area;

- Strong attractions for population-leading service industries such as engineering consulting firms, market research organizations, and insurance companies in the Peterborough urban area;

- Continuing development of the recreation and tourism industry in the larger Peterborough area, including future development of recreation and retirement housing;

- Traditional economic ties with Eastern Ontario, and an increasingly strong orientation towards Toronto and the Oshawa-Port Hope-Cobourg lakeshore area east of Toronto.

Emphasis on increasing the growth of population-leading service industry in Peterborough implies a gradually increasing need for new office space in the Peterborough area. Local realtors indicate that there is now a strong supply of smaller office space in the City of Peterborough, but virtually no larger office space.

Interviews with local businessmen also indicate that uncertainty over the Government of Ontario's commitment to the City of Peterborough's role as an important business centre could deter private lending institutions from making investment capital available for the new office space required to accommodate new service industry in the Peterborough area. In this context it is important to stress the Province's commitment to Peterborough's continuing strength as a regional business centre, with a growing orientation towards the Toronto and Oshawa lakeshore areas of Central Ontario.

Historically, the Peterborough area has passed through three major phases of economic development since its settlement during the first half of the nineteenth century. Each of these phases has broadened and enriched the area's economic base.

As in other parts of Ontario, the Peterborough area began as an agricultural community. Lumbering in the wider region stimulated the growth of a service centre in the Peterborough urban area during the second half of the nineteenth century, and the larger area began to acquire its reputation as a recreation and tourism centre in the late 1800's. During the early parts of the twentieth century the basic character of Peterborough's current manufacturing base was established.

The Peterborough area, like other parts of the province, is now entering a fourth phase of economic development, based on growth in newer kinds of service industries and a more aggressive business approach to renewed growth in traditional recreation and tourism industries. In Ontario as a whole there were 2.8 jobs in business services and 2.5 jobs in recreational services in June 1977 for every job that existed in 1961, compared with 1.3 jobs in manufacturing and 0.75 jobs in forestry.

Peterborough's natural amenities, its proximity to Toronto, and its high quality of life give it strong potential for future growth within the new kinds of industrial structure that have begun to take root in the provincial economy. Energetic promotion and development of this potential should be the primary objective of economic development policy for the Peterborough area in the late 1970's and the 1980's.

# APPENDICES

## APPENDIX A

## LIST OF INTERVIEWS

The staff would like to express its appreciation to representatives of the following organizations, who kindly made themselves available for interviews and discussions:

Armstrong Cork Industries Ltd.

Bowes & Cockes Limited

Bowes J.M. & Co. Ltd.

Canadian General Electric Co. Ltd.

Canadian Imperial Bank of Commerce

Card & Paper Works Ltd.

Chesebrough-Pond's (Canada) Ltd.

City of Peterborough

County of Peterborough

De Laval Co. Ltd.

Domtar Packaging Ltd.

Ethicon Sutures Ltd.

Fisher Gauge Limited

Government of Canada
  Office of the District Economist, Barrie
  Peterborough Canada Manpower Centre

Government of Ontario
  Ministry of the Environment
  Ministry of Housing
  Ministry of Industry and Tourism
  Ministry of Transportation and Communications

IBI Consultants

Irwin, Sargent & Lowes Ltd.

Liberty Mutual Insurance Company

Lucky Strike Bait Works Ltd.

Marathon Realty Co. Ltd.

Milltronics Ltd.

Nashua (Canada) Ltd.

Ontario Hydro

Ontario Industrial Training Council

Outboard Marine Corp. of Canada Ltd.

Peterborough Chamber of Commerce

Peterborough Lumber Limited

Peterborough Utilities Commission

Purity Packaging Ltd.

Quaker Oats Co. of Canada Ltd.

Raybestos-Manhattan (Canada) Ltd.

Rishor, Barnes, & Dietrich Ltd.

Royal Bank

Sargent & Co. (Canada) Ltd.

Sir Sanford Fleming College

Tilco Plastics Ltd.

Toronto-Dominion Bank

Total Graphics Ltd.

Trent University

Westclox Canada Ltd.

Whitaker G. & Co. Ltd.

Wander Limited

York River Industries Ltd.

# APPENDIX B

## SELECTED FEDERAL AND PROVINCIAL DEVELOPMENT ASSISTANCE PROGRAMS IN THE PETERBOROUGH AREA

### 1. INTRODUCTION

This appendix outlines a selection of provincial and federal programs available to municipalities and businesses in the Peterborough area. It is not an exhaustive listing. More comprehensive descriptions appear in such publications as:

- Canadian Federal Government Services to Business, (Government of Canada, Industry, Trade and Commerce, September, 1977).
- Provincial Financial Assistance to Municipalities, Boards and Commissions, (Ontario Ministry of Treasury, Economics and Intergovernmental Affairs, July 1977).
- Industrial Assistance Programs in Canada 1974, (Commerce Clearing House Canadian Limited, 3rd edition).

The appendix is divided into provincial and federal programs designed to assist a) municipalities and b) private businesses.

For further assistance, the reader is invited to consult Mr. Bruce Williams, the Ontario Ministry of Industry and Tourism's Industrial Development Officer in the Peterborough area, at 139 George Street North, Peterborough. (705) 742-3459.

## LIST OF PROGRAMS

## II. ASSISTANCE TO MUNICIPALITIES
## PROVINCIAL PROGRAMS:

### 1) Industrial Parks Program

Assistance is provided for municipal and private development in Eastern and Northern Ontario which meets certain qualifying criteria to facilitate the development of serviced industrial land.

Assistance to qualifying municipalities will be provided by the government in the form of repayable laons. Where a municipality needs to purchase land for the development of an industrial park, the loan will cover 50% of the acquisition and servicing costs. In the case of a municipality owning sufficient land but needing to service it, the loan will provide up to 75% of the cost of servicing. To facilitate the financing during the early years of the development, the interest on the government loan will be forgiven entirely for the first year, 75% during the second year, 50% during the third year, and 25% during the fourth year. In the fifth year, full interest will be charged. Further, principal payments will be deferred throughout the first five years if the lands are not sold. External servicing is not covered by the loan.

For further information:

Director
Industry Branch
Ministry of Industry and Tourism
7th Floor, Hearst Block
Toronto, Ontario
M7A 2E4

Telephone: (416) 965-7299

Also: Peterborough Office
Ministry of Industry and Tourism
139 George Street North
Peterborough, Ontario
K9J 3G6

Telephone: (705) 742-3459

II. ASSISTANCE TO MUNICIPALITIES (Continued)

PROVINCIAL PROGRAMS:

2) Transportation

Assistance towards transportation, such as for the operation of a public transportation system, may be obtained from the Ministry of Transportation and Communications. The basis of the assistance is 75% of approved purchases justified by need -- the cost of buses, trolleys, and transit terminals, etc. -- plus a percentage of operating costs based on population.

For further information:

Manager, Transit Office
Ministry of Transportation and Communications
1201 Wilson Avenue
3rd Floor, West Tower
Downsview, Ontario
M3M 1J8

Telephone: (416) 248-3785

II. ASSISTANCE TO MUNICIPALITIES (Continued)

PROVINCIAL PROGRAMS:

3) Drainage Works

Assistance may be provided for part of the cost of drainage works, including, among other costs, those of embanking and installing pumping machinery. Any municipality is an eligible recipient, but a grant will be provided for works on agricultural land only. The grant is paid to the municipality, where it is applied to the reduction by one-third of an individual's agricultural assessment. Certain requirements must be met by recipients of this grant.

For further information:

Food Land Development Branch, Drainage Section
Ministry of Agriculture and Food
Parliament Buildings
Toronto, Ontario
M7A 2B2

Telephone: (416) 965-9921

II. ASSISTANCE TO MUNICIPALITIES (Continued)

FEDERAL PROGRAM:

1) Financial Assistance for the Construction and Operation of Municipal and Other Airports

This program offers assistance for airports which are leased or owned by municipalities or other public bodies. The assistance is based on the benefits that accrue to the flying public. Funding is based on a percentage of the construction costs of runways, taxiways, etc., and non-revenue space in buildings. There are no operating subsidies available for community-type airports: only for national airports.

For further information:

Regional Manager of Airports
Transport Canada
4900 Yonge Street
Willowdale, Ontario
M2N 6A5

Telephone: (416) 224-3197

## III. ASSISTANCE TO BUSINESS

PROVINCIAL PROGRAMS:

1) Eastern Ontario Development Corporation (EODC)

The Eastern Ontario Development Corporation offers three financial services to businesses in order to stimulate industrial growth, economic development, and employment opportunities. These are the Ontario Business Incentive Program, term loans (5 types), and the Export Support Program.

The Eastern Ontario Development Corporation's financial sources are not available to wholesale or retail businesses, resource industries, or service industries which do not support manufacturing. Loans are not available to insolvent or bankrupt firms.

It should be noted that, in most cases, the Peterborough area is considered to be in Central Ontario. The Development Corporation Act, 1973, placed the County of Peterborough under the jurisdiction of the Ontario Development Corporation. However, at the request of the community, Peterborough was placed under the EODC in 1974.

a) Ontario Business Incentives Program (OBIP)

Assistance is provided for new operations or the expansion of existing operations. Eligible recipients are secondary manufacturing industries and service industries which benefit local resort operators. Foreign-controlled operations are eligible if the project is proven to be in the public interest and is in accordance with Ontario government policy. There are certain conditions which must be met before assistance is provided. Up to 75% of approved costs is available for new machinery, equipment, or buildings, and the purchase and cost of renovating and modifying existing buildings, to a maximum of $500,000. Available incentives include an interest-free period, deferral of principal, and/or interest payment plans.

III. ASSISTANCE TO BUSINESS (Continued)

PROVINCIAL PROGRAMS:

1) Eastern Ontario Development Corporation (Continued)

b) Term Loan Plans

There are five different types of term loans. These are:

Loans to Small Businesses
Pollution Control Equipment Loans
Industrial Mortgage Loans
Tourist Industry Loans
Venture Capital for Canadians.

Eligible recipients for the first three loans include any secondary manufacturing companies and any service industries which support secondary manufacturing. The tourist industry loans are available to improve or expand tourist facilities. Venture capital term loans help finance new technology from the prototype stage to production.

The loan is conditional, among other things, on the project's contributing to the economic development of Eastern Ontario and on funds being unavailable elsewhere on reasonable terms and conditions. Interest rates are offered at 2% below the normal rate if the loan is under $200,000 or if the business has less than 100 employees. Otherwise, the interest rate is generally 11%. The maximum loan available is $500,000.

For the venture capital term loan, interest is payable only if earnings exist. Otherwise, interest accumulates up to the first five years and then is amortized over the balance of the term of the loan.

III. ASSISTANCE TO BUSINESS (Continued)

PROVINCIAL PROGRAMS:

1) Eastern Ontario Development Corporation (Continued)

c) Export Support Programs

Assistance is provided towards financing the export of capital and consumer goods which have a significant Canadian content. The program's aim is to supplement the services offered by the Export Development Corporations, chartered banks, and other financial institutions. Eligible recipients are all manufacturers based in Eastern Ontario, who are encountering difficulties in financing capital or consumer goods.

Assistance is provided in the form of

- short-term financing, advancing between 75% and 90% on production, warehousing, or shipping of goods for export against specific orders. Maximum term is 180 days from date of shipment.

- Medium-term financing, advancing up to 95% of the value of shipment against the sale of capital goods. Term is normally five years from date of shipment.

- Maximum loan available is $500,000.

For further information:

Eastern Ontario Development Corporation
797 Princess Street
Suite 401
Kingston, Ontario
K7L 1G1

Telephone: (613) 546-3101

Also:

Eastern Ontario Development Corporation
3rd Floor, Mowat Block
900 Bay Street
Toronto, Ontario
M7A 2E7

Telephone: (416) 965-4622

III. ASSISTANCE TO BUSINESS (Continued)

PROVINCIAL PROGRAMS:

2) Consulting Services

A number of services are provided by the Small Business Operations Division of the Ministry of Industry and Tourism. There is no cost for the programs, which have been designed for small industrial, manufacturing, and service companies. The objective is to increase economic growth and create jobs. Advisory services are also available for tourist operations from the Tourism Department.

These programs are largely advisory in nature although some provide financing. They include production improvement programs, productivity improvement programs, energy management programs, and seminars held in different Ontario locations to complement individual in-plant consultative services. There are also programs on marketing and financial services to provide marketing advice, as well as management techniques.

For further information:

Small Business Operations District Office
139 George Street North
Peterborough, Ontario
K9J 3G6

Telephone: (705) 742-3459

III. ASSISTANCE TO BUSINESS (Continued)

FEDERAL PROGRAMS:

1) Enterprise Development Program (EDP)

Assistance is provided

- To develop proposals for projects eligible for assistance;
- To study market feasibility;
- To study projects to improve productivity;
- For industrial design projects;
- For innovative projects;
- For adjustment projects to help companies compete internationally;
- Plus others.

Eligible recipients inlude small and medium-sized businesses* engaged in manufacturing or processing. Service sector firms are eligible (under limited circumstances) if the services provide direct, tangible, and significant benefit to firms engaged in manufacturing or processing.

Each of the various forms of assistance has certain criteria, but, in general, eligibility criteria are:

a) For loans and loan insurance, the firm must be unable to obtain funds on reasonable terms from other sources. Proof of attempts to secure funds from other sources may be required.

b) The firm and the project must be viable.

c) For grants, the project must represent a significant burden to the firm, compared with its resources.

d) It is highly desirable that firms be incorporated. Although incorporation is not a condition of eligibility for all assistance awards, all applicants for innovation and industrial design assistance must be incorporated.

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*The definition of small and medium-sized firms is difficult to pinpoint exactly. It varies from one program to the next, and generally there is a certain amount of flexibility.

III. ASSISTANCE TO BUSINESS (Continued)

FEDERAL PROGRAMS:

1) Enterprise Development Program (Continued)

Grants partially offset the cost of the project undertaken, usually on a 50-50 split between the Enterprise Development Program and the firm. There are direct and insurance loans, which due to the risks involved, are usually provided in conjunction with other forms of assistance. The Enterprise Development Corporation is a lender of last resort, and the maximum loan available is $200,000.

In April 1977, the Enterprise Development Program absorbed the following Industry, Trade and Commerce programs:

- PAIT - Program for Advancement of Industrial Technology
- IDAP - Industrial Design Assistance Program
- PEP - Program to Enhance Productivity
- GAAP - General Adjustment Assistance Program
- AAAP - Automotive Adjustment Assistance Program
- FTIAP - Footwear and Tanning Industry Assistance Program
- PIDA - Pharmaceutical Industry Development Assistance Program.

For further information:

Enterprise Development Program
Ontario Regional Office
Commerce Court West
P.O. Box 325
Toronto, Ontario
M5L 1G1

Telephone: (416) 369-3711

III. ASSISTANCE TO BUSINESS (Continued)

FEDERAL PROGRAMS:

2) Federal Business Development Bank (FBDB)

Assistance is provided for acquiring land, buildings, or equipment for strenthening working capital, for establishing a new business, and for many other purposes. Eligible recipients include all new and existing businesses of almost every type in Canada.

The amount that can be borrowed for a specific purpose, normally less than $100,000, depends on the borrower's ability to satisfy the general requirements of the bank. Loans, loan guarantees, equity financing, leasing, or any combination of these are available. Interest rates are in line with those generally available to businesses. The security requirement is usually a first charge on fixed assets. Loans are normally repaid in ten years. Where equity is involved, the Federal Business Development Bank takes a minority interest, which is available for repurchase on suitable terms at a later date.

For further information:

Federal Business Development Bank
Ontario Regional Office
3rd Floor
250 University Avenue
Toronto, Ontario
M5H 3E5

Telephone: (416) 368-4874

Peterborough Office
P.O. Box 1419
Peterborough, Ontario
K9H 7E8

Telephone: (705) 748-3241

III. ASSISTANCE TO BUSINESS (Continued)

FEDERAL PROGRAMS:

3) Small Business Loans

The government guarantees loans made by commercial banks, private institutions, and other designated lenders. These loans are available to small businesses about to be or already established in Canada, engaged in manufacturing, transportation, retail or wholesale trade, construction, service, or communication. These concerns may be a sole proprietorship, a partnership, or a limited liability company. The loans are given on fixed or movable equipment, land, and/or premises of the business.

Interest rates are set by the government and presently stand at 8-3/4%. In general, a loan may finance up to 80% of the cost of fixed or movable equipment, including installation; up to 90% of the cost of renovations to or improvement of premises; and up to 90% of the purchase price or the cost of construction of premises. The repayment period cannot exceed ten years, and payments must be made at least annually.

Maximum outstanding loans under The Small Business Loans Act may not exceed $75,000. Detailed terms are worked out between the applicant and approved lender.

A small business under The Small Business Loans Act is defined as a concern which will not exceed $1.5 million of estimated annual gross revenue in its current fiscal year.

For further information;

Guaranteed Loans Administration
Department of Finance
Ottawa, Ontario
K1A 0G5

Telephone: (613) 996-3466

Any chartered bank or approved lender can also provide more information.

III. ASSISTANCE TO BUSINESS (Continued)

FEDERAL PROGRAMS:

4) Consulting Services and Other Programs

There are a number of other programs available to help business.

a) Both the Export Development Corporation and the Program for Export Market Development provide assistance to facilitate export trade for Canadian companies and products.

For further information:

Export Development Corporation
Ontario District Office
P.O. Box 64
First Canadian Place
Suite 2600
Toronto, Ontario
M5X 1B1

Telephone: (416) 364-0135

For further information:

Program for Export Market Development Office
Department of Industry, Trade and Commerce
8th Floor East
240 Sparks Street
Ottawa, Ontario
K1A 0H5

Telephone: (613) 995-7481

b) The Ministry of Industry, Trade and Commerce also supports several agencies. These organizations are concerned with industrial development and improving Canada's exports in order to give the economy a fresh impetus.

For further information:

Office of Export Programs and Services
Department of Industry, Trade and Commerce
8th Floor East
240 Sparks Street
Ottawa, Ontario
K1A 0H5

Telephone: (613) 995-7481

III. ASSISTANCE TO BUSINESS (Continued)

FEDERAL PROGRAMS:

4) Consulting Services and other Programs (Continued)

c) The Overseas Projects Office is responsible for the identification, promotion, and coordination of Canadian industry's response to specific project opportunities outside of the country. The office also helps to develop appropriate financial and risk-sharing facilities for such projects.

For further information:

Director General
Office of Overseas Projects
Department of Industry, Trade and Commerce
240 Sparks Street
Ottawa, Ontario
K1A 0H5

Telephone: (613) 995-2888

d) The Federal Business Development Bank provides consulting services for small businesses and industries.

For further information:

Federal Business Development Bank
Peterborough Office
340 George Street North
Peterborough, Ontario

Telephone: (705) 748-3241

e) The National Research Council of Canada provides technical information in response to a specific request by a business through the Technical Information Service. This service is designed to assist in the technical development of small and medium-sized Canadian manufacturers.

There is also an Industrial Research Assistance Program which provides assistance towards promoting industrial research and encouraging new technology in Canada.

For further information:

National Research Council of Canada
Room 238, Federal Building
106 Clarence Street
Kingston, Ontario
K7L 1X4

Telephone: (613) 544-1537

III. ASSISTANCE TO BUSINESS (Continued)

FEDERAL-PROVINCIAL PROGRAM:

1) Agricultural and Rural Development Agreement

This program is administered by the Rural Development Branch of the Ontario Ministry of Agriculture and Food. The program is jointly funded by this ministry and by the Canada Department of Regional Economic Expansion (DREE). The objective of the program is to provide incentives for industry in rural areas to create employment opportunities for rural people. Eligible recipients are those businesses that locate in all rural areas in Peterborough County.

Assistance is provided towards:

- The establishment of new processing and manufacturing facilities or the expansion and modernization of present facilities using renewable natural resources.
- The establishment or expansion of facilities or services necessary for additional or new production of selected primary and secondary products.
- The establishment, expansion, or modernization of publicly owned park and tourist facilities or services, including land purchases.
- The carrying out of forest stand improvement operations on Crown or publicly owned land.

Certain conditions must be fulfilled, such as:

- Available local labour must be compatible with the needs of the business or service or be trainable.
- There must be a sufficient equity base to show that the operation will be viable over the long term.
- The location of the industry must be consistent with local and regional development policies.

Assistance is in the form of forgivable loans at the rate of 10% for each of the first five years, with the balance being completely forgiven in the sixth year.

For further information:

Rural Development Officer
Ontario Ministry of Agriculture and Food
55 George Street North
Peterborough, Ontario
K9J 3G2

Telephone: (705) 745-2403